MAYOR AND COUNCIL

Meeting No. 30-25
Monday, December 8, 2025 - 6:30 PM

AGENDA

Agenda item times are estimates only. Items may be considered at times other than those indicated.

Ways to Participate

If you require a reasonable accommodation, for community forum or a public hearing and need reasonable accommodations, please contact the City Clerk's Office by the Wednesday before the Monday meeting at 240-314-8280 or cityclerk@rockvillemd.gov or by filling this form: https://www.rockvillemd.gov/FormCenter/City-Manager-2/Request-a-Reasonable-Accommodation-50

Translation Assistance

If you wish to participate in person at a Mayor and Council meeting during community forum or a public hearing and may need translation assistance in a language other than English, please contact the City Clerk's Office by the Wednesday before the Monday meeting at 240-314-8280, or cityclerk@rockvillemd.gov, or by using this form: https://www.rockvillemd.gov/FormCenter/City-Clerk-11/Sign-Up-for-Translation-Assistance-at-Co-368

In-Person Attendance

Community members attending in-person who wish to speak during Community Forum, or a Public Hearing, should sign up using the form at the entrance to the Mayor and Council Chamber. In-person speakers will be called upon in the order they are signed to speak and before virtual speakers.

Note: In-Person Speakers will be called upon to speak before those who have signed up to speak virtually for Community Forum and Public Hearings.

Viewing Mayor and Council Meetings

The Mayor and Council are conducting hybrid meetings. The virtual meetings can be viewed on Rockville 11, Comcast, Verizon cable channel 11, livestreamed at www.rockvillemd.gov/rockville11, and available a day after each meeting at www.rockvillemd.gov/videoondemand.

Participating in Community Forum & Public Hearings:

If you wish to submit comments in writing for Community Forum or Public Hearings:

- Please email the comments to mayorandcouncil@rockvillemd.gov no later than 10:00 am on the date of the meeting.

If you wish to participate in-person or virtually in Community Forum or Public Hearings during the live Mayor and Council meeting:

1. Send your Name, Phone number, For Community Forum and Expected Method of Joining the

Meeting (computer or phone) to mayorandcouncil@rockvillemd.gov no later than 10:00 am on the day of the meeting. Each speaker will receive 3 minutes.
2. Send your Name, Phone number, the Public Hearing Topic and Expected Method of Joining the Meeting (computer or phone) to mayorandcouncil@rockvillemd.gov no later than 10:00 am on the day of the meeting.
3. On the day of the meeting, you will receive a confirmation email with further details, and two Webex invitations: 1) Optional Webex Orientation Question and Answer Session and 2) Mayor & Council Meeting Invitation.
4. Plan to join the meeting no later than approximately 20 minutes before the actual meeting start time.
5. Read for https://www.rockvillemd.gov/DocumentCenter/View/38725/Public-Meetings-on-Webex meeting tips and instructions on joining a Webex meeting (either by computer or phone).
6. If joining by computer, Conduct a WebEx test: https://www.webex.com/test-meeting.html prior to signing up to join the meeting to ensure your equipment will work as expected.

Participating in Mayor and Council Drop-In (Mayor Ashton and Councilmember Shaw)

The next scheduled Drop-In Session will be held by phone or in-person on Monday, December 8 from 5:15 pm - 6:15 pm with Mayor Ashton and Councilmember Shaw. Please sign up by 10 am on the meeting day using the form at:
https://www.rockvillemd.gov/formcenter/city-clerk-11/sign-up-for-dropin-meetings-227

1. Convene - 6:30 PM

2. Pledge of Allegiance

3. Proclamation and Recognition - NONE

4. Agenda Review - 6:35 PM

5. City Manager's Report - 6:40 PM

6. Boards and Commissions Appointments and Reappointments - NONE

7. Community Forum - 6:45 PM

8. Special Presentations - NONE

9. Consent Agenda - 7:05 PM

A. Authorize the City Manager to Execute Modification Number 1 Between the City of Rockville and the Maryland Department of Natural Resources to Provide a No Cost Extension to the End Date of the Agreement Executed on June 9, 2023, for Grant No. 14-23-3088 TRF 15

B. Staff recommends the Mayor and Council award and authorize the City Manager to Execute a Rider Agreement for the purchase of various hardware, software, support, and professional services with DSI (DISYS Solutions Inc.) of Ashburn, VA and a Lease Agreement with Cisco Systems Capital Corporation for said hardware, software, support and professional services to replace the City's end-of-life network hardware,

software, and support services, required to maintain functionality of the City productional network, security, and telecommunications infrastructure in an amount not to exceed $1,918,566.90.

C. Award and Authorize the City Manager to Execute a Rider Agreement with ATC Corp., a Maryland corporation, in the amount not-to-exceed $500,000 annually for the initial term, with
terms and pricing consistent with Baltimore County Contract SCON-10002601-1, for athletic court maintenance, repairs, replacement, and renovations, with the option to renew for three additional one-year terms consistent with renewals by Baltimore County.

D. Authorization for the City Manager to Sign a Grant Agreement Amendment with the Federal Highway Administration for FY 2023 Safe Streets and Roads for All Project

E. Approval of Minutes

10. Public Hearing - NONE

11. Action Items - 7:10 PM

A. Adoption of the King Farm Farmstead Master Plan

B. Approval and Submission to Montgomery County of the City of Rockville Funding Application for Program FY 2027/Year 52 Community Development Block Grant

12. Worksession - 7:55 PM

A. Chapter 18 Update (Rental Facilities and Landlord-Tenant Relations)

13. Mock Agenda - 9:55 PM

A. Mock Agenda

14. Old / New Business - 10:00 PM

15. Adjournment - 10:15 PM

MAYOR AND COUNCIL Meeting Date: December 8, 2025
Agenda Item Type: CONSENT
Department: PW - ENVIRONMENTAL MANAGEMENT
Responsible Staff: HEATHER GEWANDTER

Subject

Authorize the City Manager to Execute Modification Number 1 Between the City of Rockville and the Maryland Department of Natural Resources to Provide a No Cost Extension to the End Date of the Agreement Executed on June 9, 2023, for Grant No. 14-23-3088 TRF 15

Department

PW - Environmental Management

Recommendation

Staff recommends that the Mayor and Council authorize the City Manager to execute Modification Number 1 (Attachment 1) between the City of Rockville and the Maryland Department of Natural Resources to provide a no cost extension to the end date of the Agreement executed on June 9, 2023, for Grant N. 14-23-2088 TRF 15.

Discussion

On December January 9, 2023, the Mayor and Council authorized the City Manager to sign an Agreement with the Maryland Department of Natural Resources (DNR) to accept grant funding in the amount of $2,000,000 for the Croydon Creek/Calvin Park Tributary Stream Restoration Project SB16. This Agreement was executed on June 9, 2023 with an expiration date of December 31, 2025 and is included as Attachment 2.

City of Rockville staff requested an extension to the end date of this Agreement due to delays associated with completing the design and acquiring federal permits. Modification Number 1 (Attachment 1) extends the end date to December 31, 2026.

Mayor and Council History

The Mayor and Council authorized the City Manager to sign the Grant Agreement on January 9, 2023.

Next Steps

If approved by the Mayor and Council, the City Manager will execute the attached Modification Number 1 Agreement.

Attachments

Attachment 1 Rockville_Mod 1_14-23-3088 TRF 15, Attachment 2 Rockville 14-23-3088 TRF 15_executed

14-23-3088 TRF 15
GRANT NUMBER

Modification Number One

to

Department of Natural Resources
Grant Agreement

entered into this _____ day of_____, 20____.

between the

State of Maryland

Department of Natural Resources

and

Mayor and Council
City of Rockville
111 Maryland Avenue
Rockville, MD 20850
Federal Tax Identification #: 52-6001573 (hereafter "Grantee")

Pursuant to the terms of the Grant Agreement, dated June 9th, 2023 between the State of Maryland acting through the Department of Natural Resources, Watershed and Climate Services, and the City of Rockville regarding provision of assistance in implementing the Croydon Creek/Calvin Park Stream Restoration, the Grant Agreement is amended to incorporate the following changes. The purpose of this Modification is to provide a no-cost extension.

In the event of any conflict or incongruity between the provisions of this amendment and any of the provisions of said Grant Agreement as heretofore amended, the provisions of this amendment shall in all respects govern and control.

1. - GRANT AMOUNT:

The budget of this Grant Agreement shall not be modified. No additional funds are being provided to the Grantee.

2. - TERM:

The term of this Grant Agreement shall be from June 1, 2023 through December 31, 2026.

3. - SCOPE OF WORK:

The Scope of Work of this Grant Agreement is modified per Attachment A.

IN WITNESS WHEREOF, the parties have executed this Amendment by causing the same to be signed on the day and year first above written.

This document may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures, including notary signatures, provided by electronic means including, by way of example and not of limitation, facsimile, Adobe, PDF, and sent by electronic mail, or via an electronic signature program, shall be deemed to be original signatures.

MAYOR AND COUNCIL
CITY OF ROCKVILLE

_____
WITNESS

_____
Jeff Mihelich
City Manager City of Rockville

STATE OF MARYLAND
DEPARTMENT OF NATURAL RESOURCES

_____
WITNESS

_____
Natalie Snider, Director
Watershed and Climate Services

3. - SCOPE OF WORK

The Scope of Work is modified as noted using strikethroughs and bold-faced type:

ATTACHMENT A

Modification # 1

Scope of Work

Timeline

The construction of this project is projected to take 600 working days based upon the Engineer of Records sequence of construction. This is based on the construction items being completed sequentially. Depending on project progress in 2026, the Department of Natural Resources may further extend this grant beyond the December 31, 2026 deadline.

	2025											
Project	1	2	3	4	5	6	7	8	9	10	11	12
Permitting/Design											x	x
Construction	~~x~~	~~x~~				~~x~~	~~x~~					
Planting								~~x~~	~~x~~	~~x~~		
Final Reporting											~~x~~	~~x~~

	2026											
Project	1	2	3	4	5	6	7	8	9	10	11	12
Permitting/Design												
Construction	x	x					x	x	x	x	x	x
Planting												
Final Reporting												

Reporting/Documentation Requirements

Progress reports shall be submitted through the DNR WCS Grants Gateway management portal (https://webportalapp.com/sp/home/grants_gateway) to assure that projects are on task to meet milestone target dates. Each report must document project and budget status and identify any problems or other concerns. The reports will be submitted in line with the following schedule:

Time Frame	Due Date
June 1, 2023 – June 30, 2023	July 15, 2023
July 1, 2023-September 30, 2023	October 15, 2023
October 1, 2023 – December 31, 2023	January 15, 2024
January 1, 2024 – March 31, 2024	April 15, 2024
April 1, 2024– June 30, 2024	July 15, 2024
July 1, 2024 – September 30, 2024	October 15, 2024
October 1, 2024 – December 31, 2024	January 15, 2025
January 1, 2025 – March 31, 2025	April 15, 2025
April 1, 2025– June 30, 2025	July 15, 2025
July 1, 2025 – September 30, 2025	October 15, 2025
October 1, 2025– December 31, 2025	January 15, 2026 **Revised**
January 1, 2026 – March 31, 2026	April 15, 2026 **Additional**
April 1, 2026– June 30, 2026	July 15, 2026 **Additional**
July 1, 2026– September 30, 2026	October 15, 2026 **Additional**
October 1, 2026 – December 31, 2026	December 31, 2026 **Additional Final**

Invoices with appropriate back-up documentation shall be submitted for the same time frames noted above unless prepaid expenses are approved.

All other information remains unchanged.

State of Maryland
Department of Natural Resources

Chesapeake & Atlantic Coastal Bays 2010 Trust Fund

Grant Agreement

This Grant Agreement, entered into this 9th day of June, 20 23 by and between the State of Maryland, Department of Natural Resources, Tawes State Office Building, 580 Taylor Avenue, Annapolis, MD 21401 (hereinafter "Department") and

Mayor and Council
City of Rockville
111 Maryland Avenue
Rockville, MD 20850
Federal Tax Identification #: 52-6001573 (hereafter "Grantee").

(hereinafter "Grantee"), (hereinafter, individually, a "Party" and, collectively, the "Parties").

WHEREAS, there is a Chesapeake & Atlantic Coastal Bays 2010 Trust Fund ("Trust Fund"), established with the purpose to provide financial assistance necessary to advance Maryland's progress in meeting the goals established in the Chesapeake Bay Watershed Agreement for the restoration of the Chesapeake Bay and the Atlantic Coastal Bays and their tributaries by focusing limited financial resources on nonpoint source pollution control projects in all regions of the State of Maryland, as set forth in Annotated Code of Maryland, Natural Resources Article §8-2A-01 *et seq.*; and

WHEREAS, the Chesapeake Bay Cabinet administer the Trust Fund in accordance with the Trust Fund final work and expenditure plans, including distribution of funds through grants to counties, bicounty agencies, municipalities, forest conservancy district boards, soil conservation districts, academic institutions, and nonprofit organizations that have a demonstrated ability to implement nonpoint source pollution control projects; and

WHEREAS, funding has been appropriated for the Trust Fund by the General Assembly for Fiscal Year 2023, to be disbursed in grants to certain entities, for the purposes set forth in Code, Natural Resources Article § 8-2A-01 *et seq.*; and

WHEREAS, the Grantee has been selected by the Chesapeake Bay Cabinet to receive such grant assistance from the Trust Fund, and the Grantee has agreed to the provisions contained herein;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and the receipt of a Grant in the amount of Two Million Dollars and Zero Cents ($2,000,000.00) the Parties agree to the following provisions:

1. **Term.** This Grant Agreement (hereafter "Agreement") shall be effective as of June 1, 2023 ("Effective Date") and shall expire without notice on December 31, 2025. The Parties agree that this Agreement is valid, binding and enforceable upon the Parties from and including the Effective Date.

2. **Scope of Work.** The Grantee shall conduct the work contained in the Scope of Work in Attachment A: Scope of Work, Budget, and Other Requirements, which is incorporated into and made an integral part of this Agreement.

3. **Notice to Proceed.** No work may be initiated under this Agreement until the Grantee has been instructed in writing to proceed by the Department.

4. **Standard of Performance.** The Grantee is responsible for supervision and inspection of, and the technical accuracy and coordination of all work pursuant to this Agreement as set forth in Attachment A's Scope of Work.

5. **Prosecution of the Work.** The Grantee shall prosecute all work continuously and diligently until the termination of this Agreement.

6. **Amendments.** This Agreement may be amended only by a writing signed by both Parties.

7. **Independent Entity.** Grantee acknowledges that it is neither an agent nor an employee of the Department, but is an independent entity, and cannot commit the Department to any expenditures of funds or enter into any contractual obligation on behalf of the Department.

8. **Supplies and Materials.** The Grantee shall be responsible for identifying and acquiring all supplies and materials necessary for performance of all work,

9. **Taxes.** The Grantee shall be responsible for withholding any taxes and social security payments due in relation to this Agreement.

10. **No Subletting or Assignment.** The Grantee shall not sublet, assign, or transfer this Agreement or any portion thereof without prior written consent of the Department.

11. **Department Property.** Unless otherwise specified in writing, the Grantee agrees that all reports, drawings, studies, estimates, maps, and computations prepared by or for it under the terms of the Agreement shall be delivered upon request to, and become the property of, the Department upon termination or completion of the work.

12. **Billings; Payments.**

A. Funds paid to the Grantee under this Agreement shall be used only for the purposes set forth in this Agreement and Attachment A's Scope of Work. The Grantee shall submit

billings for the expenses authorized for the work under this Agreement in accordance with the payment schedule set forth in Attachment A's Other Requirements. Each billing shall identify the progress made in relation to the schedule, and the amount of payment requested. The Grantee shall submit a final invoice no later than 30 days after the date of expiration of this Agreement set forth in Paragraph 1, above.

B. The Grantee shall follow cost accounting practices acceptable to the Department. Payments will be made only for the costs authorized in Attachment A's Budget. Billings shall be due and payable within 30 days of receipt by the Department. The Grantee agrees that no claims or charges for damages shall be made by it for any delays or hindrances from any cause during the term of this Agreement. Under no circumstances is the Department responsible for payment of any charges due to late payment of invoices.

13. **Status/Progress Reports.** The Grantee shall submit quarterly status/progress reports to the Department at the same time as the billing submissions required under Paragraph 12, above. Each status report shall contain the information required by Annotated Code of Maryland, Natural Resources Article § 8-2A-04(e) for work performed during that quarter. Payment of the costs identified in the billing submissions is contingent on the Department's satisfaction with the Grantee's progress in the work. At the end of the term of the Agreement, the Grantee shall submit a final report, as described in Attachment A's Other Requirements.

14. **Subcontract or Subgrant.** In the case of any subcontract or subgrant, the Grantee agrees to bind the subcontractor or subgrantee and every subcontractor or subgrantee agrees to be bound by all terms of this Agreement, unless the Grantee requests, and the Department agrees in writing, to amend this Agreement to modify or waive one or more provisions.

15. **Inspections.** The Department shall have the right, during normal business hours, to enter upon and inspect the lands, equipment, records, and property owned or used by the Grantee in connection with this Grant, to determine the Grantee's compliance with the terms and conditions of this Agreement.

16. **Audit.** The Department retains the right to audit and inspect the records of the Grantee pertaining to this Grant for a period of 3 years after the conclusion of the Grant, or any applicable statute of limitations, whichever is longer. Should the Department determine that Grant funds have been expended for activities outside the scope of this Agreement, the Grantee, on demand by the Department, shall reimburse the Department for all such funds.

17. **Title to Property.** Subject to the obligations and conditions set forth in this Agreement, title to equipment or personal property acquired with funds under this Agreement by the Grantee or a subgrantee will vest upon acquisition in the Grantee or subgrantee respectively. Title to real property will vest in the State.

18. **Equipment.**

A. The Grantee and subgrantee shall maintain the equipment, and real and personal property, in good order, and shall employ adequate safeguards to prevent loss, damage, or theft of the property.

B. For any item of real or personal property, including equipment, acquired with Grant funds which has an original per-unit fair market value of Five Thousand Dollars ($5,000) or more, the Grantee shall, at its own expense, and for the duration of this Agreement or for 5 years, whichever is less, obtain and maintain insurance. The insurance shall provide full protection for the Grantee and the State against loss, damage, or destruction of or to the property. The Grantee shall, on request, provide the Department with satisfactory evidence of its compliance with this requirement. In case of loss, theft, or damage of the insured property, proceeds of insurance required by this paragraph shall be applied towards replacement of the property or towards the partial or total repayment to the State of the Grant, in the sole discretion of the Department.

C. Equipment shall be used by the Grantee or subgrantee for the project or work for which it was acquired as long as needed, whether or not the project or work continues to be supported by Trust Fund Grant funds.

D. The Grantee or subgrantee may not use equipment acquired with Trust Fund Grant funds to provide services for a fee to compete with private companies that provide equivalent services, unless specifically allowed by federal or state law.

E. When no longer needed for the project or work under this Agreement, the equipment may be used in other work or projects currently or previously supported by a State agency. The Grantee or subgrantee may acquire replacement equipment, and may use the original equipment to be replaced as a trade-in to offset the cost of the replacement equipment, subject to the approval of the Department.

F. When no longer needed for the project or work under this Agreement or any other project currently or previously supported by a State agency, personal property and equipment, including replacement equipment, acquired under this Grant with a current per-unit fair market value of less than five thousand dollars ($5,000.00) may be retained, sold, or otherwise disposed of by the Grantee.

G. When no longer needed for the project or work under this Agreement or any other project currently or previously supported by a State agency, equipment, including replacement equipment, acquired under this Grant with a current per-unit fair market value of five thousand dollars ($5,000.00) or more may be retained or sold, and any proceeds from a disposition shall be applied to repay to the State a percentage of the portion of the Grant allocable to the property disposed of, unless the Grantee and the Department agree to other terms and conditions. The percentage shall be equal to the percentage of the unadjusted bases of the property that would remain if the property had been recover

property placed in service after 1986 and if all allowable deductions had been taken up to the time of disposition under the Accelerated Cost Recovery System (ACRS) specified in the 26 U.S.C. § 168.

19. **Laws of Maryland.** This Agreement shall be governed by the laws of the State of Maryland, and the Parties hereby expressly agree that the courts of the State of Maryland shall have exclusive jurisdiction to decide any questions arising hereunder.

20. **Non-Discrimination in Employment.** The Grantee agrees: (1) to assure all persons equal opportunity in receiving employment and in all labor management-union relations, regardless of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, or disability unrelated in nature and extent so as reasonably to preclude the performance of such employment; (2) to include a provision similar to that contained in subsection (1), above, in any subcontract except a subcontract for standard commercial supplies or raw materials; and (3) to post and cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this paragraph.

21. **Compliance with Laws.** The Grantee agrees that it shall: (1) comply with all federal, State, and local laws, regulations and ordinances applicable to its activities and obligations under this Agreement; and (2) obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Agreement.

22. **Subcontractor Qualification.** The Grantee hereby represents and warrants that it and any subcontractor it hires is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified.

23. **Indemnification.** To the fullest extent permitted under applicable law, the Grantee shall indemnify and save harmless the State and the Department and defend the Department and all of its representatives from and against all actions, liability, claims, suits, damages, cost or expenses of any kind which may be brought or made against the State or the Department arising out of or as a result of this Agreement. To the fullest extent permitted by law, the Grantee is responsible for all damage to life and property due to its activities, or those of its agents, employees, subgrantees, or subcontractors, arising out of or in connection with its performance under this Agreement until all services under this Agreement are declared accepted by the Department.

24. **Disputes.** Any disputes between the Department and the Grantee related to this Agreement shall be presented in writing by the Party asserting the dispute, to the other Party. The written statement shall set forth the nature and, if applicable, the monetary value of the dispute, and the facts on which the dispute is based. The Parties agree that they will work diligently and in good faith to resolve any dispute, and that, pending the resolution of the dispute, the Grantee will proceed with the work under this Agreement.

25. **Termination.**

A. This Agreement may be terminated in writing by either Party upon thirty (30) days written notice to the other Party. Service of any notice required under this Agreement shall be complete upon mailing of such notice, postage prepaid, to the appropriate representative of the Party at the address listed in the Agreement.

B. The Department may instruct the Grantee to terminate the performance of work under this Agreement in whole, or from time to time in part, whenever the Department determines that such termination is in the best interest of the Department. The Department will pay all reasonable costs associated with the Grantee's work under this Agreement, which the Grantee has incurred and has documented, up to the date of termination.

C. If the Grantee fails to fulfill its obligations under this Agreement, or otherwise violates any provision of the Agreement, the Department may terminate the Agreement for default by issuing written notice to the Grantee. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work accomplished by the Grantee shall, at the Department's option, become the Department's property. The Department shall pay the Grantee fair and equitable compensation for any satisfactory work prior to the issuance of the notice of termination, less the amount of any set-off or damage caused by the Grantee's breach of its obligations. The Grantee is liable after termination, and the Department retains the right to collect, any and all monies owed to the Department under this Grant.

26. **Whole Agreement.** This agreement embodies that whole agreement of the Parties. There are no promises, conditions, or obligations referring to the subject matter, other than those contained herein or incorporated by reference.

27. **Key Personnel.** The Parties agree that the following named individuals are considered to be essential to the work being performed under this Agreement, and that they are designated as Key Personnel who shall be made available to the fullest extent required to carry out the work under this Agreement:

Heather Gewandter
240-314-8873; hgewandter@rockvillemd.gov

Gabriel Kosarek
240-314-8513 ; gkosarek@rockvillemd.gov

Should any of these individuals become unavailable during the term of this Agreement, the Grantee shall assign personnel of equivalent capability to the work. Prior written approval of the Department is required for any substitution of key personnel, which approval may be denied at the Department's sole discretion. If the Grantee is unable to provide substitute personnel acceptable to the Department, the Department may, at its option, terminate this

Agreement, or require an equitable adjustment in the Grant to account for the loss of key personnel.

28. **Agreement Representatives.** The Parties designate the following named individuals as Agreement Representatives for the purpose of any notices required under this Agreement. The Parties agree that each will promptly notify the other, in case of substitution of an Agreement Representative, or change in the Representative's contact information.

Ari Engelberg,
(410) 260-8734; ari.engelberg@maryland.gov

Heather Gewandter
240-314-8873; hgewandter@rockvillemd.gov

29. **Severability.** If any of these provisions shall contravene, or be invalid under, the laws of a particular state, county or jurisdiction where used, such contravention or invalidity shall not invalidate the whole Agreement, but the Agreement shall be construed as if not containing the particular provision or provisions held to be invalid in the particular state, county, or jurisdiction, and the rights and obligations of the Parties shall be construed and enforced accordingly.

30. **Electronic Signatures.** Signatures provided by electronic means including, by way of example and not of limitation, facsimile, Adobe, PDF, and sent by electronic mail or by an electronic signature program, shall be deemed to be original signatures.

IN WITNESS THEREOF, the Parties have executed this Agreement by causing the same to be signed on the day and year first above written.

Reviewed for Legal Sufficiency by
the Office of the City Attorney

Ashley E McFarland
Ashley McFarland — Sr. Asst. City Attorney

MAYOR AND COUNCIL
CITY OF ROCKVILLE

Sara Taylor-Ferrell
Witness
Sara Taylor Ferrell — City Clerk Director of Council Operations

Robert DiSpirito,
City Manager City of Rockville

STATE OF MARYLAND
DEPARTMENT OF NATURAL RESOURCES

Stanley Pratt
Witness

Christine Conn
Christine Conn, Acting Unit Director
Chesapeake & Coastal Service

THIS CHESAPEAKE AND ATLANTIC COASTAL BAYS 2010 TRUST FUND GRANT AGREEMENT FORM HAS BEEN APPROVED FOR FORM AND LEGAL SUFFICIENCY BY THE OFFICE OF THE ATTORNEY GENERAL FOR THE DEPARTMENT OF NATURAL RESOURCES. ANY ADDITION OR MODIFICATIONS TO, OR DELETIONS FROM, THIS FORM MUST BE APPROVED BY THE ATTORNEY GENERAL'S OFFICE BEFORE SIGNATURE OR PERFORMANCE OF ANY WORK.

Talley H-S. Kovacs
Assistant Attorney General
Office of the Attorney General
Department of Natural Resources

Approved by Talley: 12/5/22

Attachment A

SCOPE OF WORK, BUDGET, AND OTHER REQUIREMENTS

Section I. Scope of Work

Project Title:	Croydon Creek/Calvin Park Stream Restoration	
Budget:	State (Trust Fund):	$ 2,000,000.00
	Leveraged Funds:	$ 2,225,487.00
	Total:	$ 4,225,487.00
Funding Period:	June 1, 2023 - December 31, 2025	
Funding Recipient:	City of Rockville	

1. Abstract

The Croydon Creek/Calvin Park project restoration is designed to improve water quality and restore habitat within the stream and the forested buffer. The project will also reconnect the stream to its floodplain resulting in some flood mitigation impacts downstream as well. The Croydon Creek Stream Restoration will restore approximately 3,800 LF of heavily impacted urban stream channel.

2. Background

In 2013, the City of Rockville commissioned the development of the Rock Creek Watershed Assessment and Management Plan. The City's goals for this management plan included identifying additional stormwater management (SWM) opportunities and stream restoration projects, Environmental Site Design (ESD) opportunities, constraints for small-scale SWM features, and operational strategies that would complement the City's ongoing watershed projects and operations. The Croydon Creek/Calvin Park Tributary Restoration project was identified as a priority in this management plan.

The Croydon Creek/Calvin Park project is located within the Rock Creek Watershed. Rock Creek originates in northern Montgomery County, passes briefly through Rockville, and continues through the District of Columbia to meet the Potomac River. The Rock Creek watershed encompasses 4 square miles of the eastern side of the City. The watershed includes parts of Rockville Town Center and the Rockville Pike/Hungerford Drive corridors, the neighborhoods of Lincoln Park, East Rockville and Twinbrook, and industrial areas along Gude Drive and Southlawn Lane, as well as Redgate Golf Course and the City's Civic Center Park.

The Croydon Creek/Calvin Park Tributary Restoration project is within a recreation park solely owned by the City of Rockville. This project combines work on Croydon Creek and the Calvin Park Tributary. The Croydon Creek section begins at a failed dam

northwest of the Glenview Mansion and continues easterly to the Rock Creek Regional Park. There are many very tight meander bends and vertical banks with no vegetation. The stream has downcut 2.5 to 3.0 feet on average. The bed and bank erosion has resulted in excessive sediment within the stream, causing large point bars, side bars, and mid-channel bars. Calvin Park Tributary stream corridor, begins at Baltimore Road, flows in a northerly direction toward Croydon Creek. The stream contains sediment deposits, is severely incised, actively eroding, and widening.

The Croydon Creek Stream restoration is designed to improve water quality and restore habitat both in stream and within the forested buffer. The proposed design includes natural channel design techniques like riffle grade control structures to provide local lifting of the channel invert to increase access to the floodplain during storm flows and to enhance riffle habitat. Additionally, a regenerative step-pool storm conveyance (RSC) is proposed to restore the deeply incised and entrenched outfall channel and approximately 450 square yards of vernal pools are proposed throughout the project area. A section of this stream was previously restored by the Washington Sanitary Sewer Commission as well.

3. Objectives, Responsibilities, and Deliverables

The City of Rockville is solely responsible for implementing this project and the objectives are as follows:

- Help meet TMDL goals for the Chesapeake Bay and Rock Creek Watershed (local sediment TMDL)
- Restore 3800 linear feet of stream channel.

The City of Rockville will be claiming the reduction credits generated by this stream restoration. The City of Rockville reports all progress towards achieving TMDL goals via the Montgomery County WIP two-year milestone submissions. The City will also report implementation of these projects to MDE via its NPDES phase II annual report. This project furthers the following Chesapeake Watershed Agreement goals:

Vital Habitat – The Croydon Creek stream restoration will:

- Create 450 square yards of vernal pools.
- Plant 895 trees
- Plant 1,322 shrubs

Water Quality – The Croydon Creek stream restoration is specifically designed to help meet Bay TMDL water quality goals.

4. Performance & Compliance Monitoring Strategy

The City does not plan to perform before and after water quality monitoring. The City will get as-built plans for the project, and calculate pollutant load reductions in Field Doc upon project completion. As described in the long-term protection plan below, the City will carry-out five years of maintenance after construction to ensure there are no

major stability issues.

5. Maintenance & Inspection Plan

Metrics of project success include proper installation of design, maintained function of the design long-term (stable stream), and survival of trees in stream buffer area. The City of Rockville assigns a dedicated construction management inspector to these projects during construction. Additionally, the City hires the design- engineering firm to be on-site and inspect during construction. The project is located on City-owned parkland that provides long-term protection of the site.

The City has stringent environmental regulations to protect stream valley buffers and forests in the long-term. The City will carry out five years of maintenance after construction that incorporates plant augmentation and invasive plant control for both projects. If issues are identified, they will be address via the City's established SWM facility maintenance program. The programs current funding is almost $830,000 annually.

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6. Project List

Project Title	*Description*	*Location (lat/long) Decimal degrees*	*2012 Leg district*	*8-digit watershed*	*Status (Design/Planning, Permit, Construction)*	*Estimated Cost*	**Est. Reductions*	*Deliverables (linear feet stream, acres wetland, treated impervious, etc.)*
Croydon Creek/Calvin Park Stream Restoration	The Croydon Creek Stream Restoration will restore approximately 3,800 LF of heavily impacted urban stream channel.	39.08737, -77.12651	17	02140206 -Rock Creek	65-90% designed	TF: $2,000,000.00 Leveraged: $2,225,487.00 Total: $4,225,487.00	2517.33 lbs N; 1159.29 lbs P; 1811.45 tons Sed/TSS	3800 Linear ft of stream restoration, 450 square yards vernal pools created, 895 trees and 1,322 shrubs planted

7. Timeline (*include design, permitting, construction)*

	2022							2023					
Project	6	7	8	9	10	11	12	1	2	3	4	5	6
Permitting/Design/Procurement	x	x	x	x	x	x	x	x	x	x	x	x	
Construction													x
Planting													
Final Reporting													

	2023						2024					
Project	7	8	9	10	11	12	1	2	3	4	5	6
Permitting/Design												
Construction	x	x	x	x	x	x	x	x				x
Planting												
Final Reporting												

	2024						2025					
Project	7	8	9	10	11	12	1	2	3	4	5	6
Permitting/Design												
Construction	x	x	x	x	x	x	x	x				x
Planting												
Final Reporting												

	2025					
Project	7	8	9	10	11	12
Permitting/Design						
Construction	x					
Planting		x	x	x		
Final Reporting					x	x

Section II. Budget

After Grantee has been paid an amount equal to ninety percent (90%) of the funds initially allocated and approved for this grant, the Department of Natural Resources may withhold from payment an amount of not more than ten percent (10%) of the total grant amount, until satisfactory completion and submission by Grantee of all tasks described under this agreement.

Category	State	Documented Match	Total
Personnel	$0.00	$0.00	$0.00
Fringe Benefits	$0.00	$0.00	$0.00
Travel approx. @ $0.56/mi.	$0.00	$0.00	$0.00
Field Supplies	$0.00	$0.00	$0.00
Supplies (Office)	$0.00	$0.00	$0.00
Contractual	$2,000,000.00[1]	$0.00	$2,000,000.00
Other	$0.00	$0.00	$0.00
Indirect / Administration	$0.00	$0.00	$0.00
Total	$2,000,000.00	$0.00	$2,000,000.00

Contractual[1]: All requested funding will be used to reimburse the City on contractor costs for project construction. The cost estimates are based on the 90% Engineer's Estimate. The trust fund will be used to finance the water quality related components of the project (e.g., more extensive plantings with the goal of higher quality aquatic habitat).

Description	Unit	Quantity	Estimate Unit Price	Estimated Total Cost	City Funding	State Funding
Mobilization	LS	1	$201,214	$201,214	$99,755	$101,459
Construction Stakeout & As-builts	LS	1	$80,000.00	$80,000	$39,661	$40,339
Temporary Traffic & Pedestrian Controls	LS	1	$4,000.00	$4,000	$1,983	$2,017
Clearing and Grubbing	LS	1	$50,000.00	$50,000	$24,788	$25,212

Trunk Protection (TP)	EA	181	$200.00	$36,200	$17,947	$18,253
Root Pruning (RP)	LF	1,200	$11.00	$13,200	$6,544	$6,656
Limb Pruning (LP)	LS	1	$7,500.00	$7,500	$3,718	$3,782
Vegetation Management Crew	DAY	8	$2,600.00	$20,800	$10,312	$10,488
Stabilized Construction Entrance (SCE)	EA	3	$2,200.00	$6,600	$3,272	$3,328
Temporary Construction Mulch Access Road Without Timber Mat	LF	1,400	$40.00	$56,000	$27,763	$28,237
Temporary Construction Mulch Access Road With Timber Mat	LF	2,400	$150.00	$360,000	$178,475	$181,525
Temporary Access Bridge	EA	3	$27,000.00	$81,000	$40,157	$40,843
Tree Protection Fencing (TPF)	LF	10,156	$7.00	$71,092	$35,245	$35,847
High Visibility Fencing (HVF)	LF	2,725	$3.00	$8,175	$4,053	$4,122
Staging & Stockpile Areas	LS	1	$94,250.00	$94,250	$46,726	$47,524
Manhole Protection	EA	14	$250.00	$3,500	$3,500	$0
Silt Fence	LF	250	$6.00	$1,500	$744	$756
Super Silt Fence	LF	596	$13.00	$7,748	$3,841	$3,907
Pumped Silt Control Diversion	LS	1	$30,000.00	$30,000	$14,873	$15,127
Stream Diversion	LS	1	$65,000.00	$65,000	$32,225	$32,775
Excavation (Class 5)	CY	3,200	$50.00	$160,000	$79,322	$80,678
Demolition & Disposal of Ex. Structures & Debris	LS	1	$16,250.00	$16,250	$8,056	$8,194

Soil Stabilization Matting	SY	10,922	$7.25	$79,185	$39,257	$39,928
Endwall-SHA Tributary Outfall (Type C Endwall for 36" pipe)	EA	1	$6,000.00	$6,000	$6,000	$0
Endwall-Calvin Tributary Outfall (Type C Endwall for 18" pipe)	EA	1	$2,500.00	$2,500	$2,500	$0
Sewer Protection	LS	1	$118,650.00	$118,650	$118,650	$0
Riffle Grade Control	EA	14	$42,157.50	$590,205	$292,603	$297,602
Vernal Pool	EA	4	$3,000.00	$12,000	$5,949	$6,051
Regenerative Step Pool Storm Conveyance	LS	1	$191,100.00	$191,100	$94,741	$96,359
Riffle Weir	EA	21	$25,462.50	$534,713	$265,092	$269,621
Wrapped Soil Lift	LF	600	$400.00	$240,000	$118,984	$121,016
Boulder Revetment	LF	1,046	$525.00	$549,150	$272,249	$276,901
Replace 10" culverts along pedestrian trail[1]	LF	45	$55.00	$2,475	$2,475	$0
Rip Rap Swale	SY	80	$189.00	$15,120	$7,496	$7,624
Cobble Channel	LS	1	$1,890.00	$1,890	$937	$953
Rock Root Packing	LF	60	$210.00	$12,600	$6,247	$6,353
Pedestrian Bridge	LS	1	$54,600.00	$54,600	$27,069	$27,531
Hot Mix Asphalt Patches	SY	20	$110.00	$2,200	$2,200	$0
Concrete Curb & Gutter	LF	45	$50.00	$2,250	$2,250	$0

Floodplain Seed Mix	SY	21,513	$2.00	$43,026	$21,331	$21,695
Turfgrass Seed Mix	SY	1,923	$2.00	$3,846	$1,907	$1,939
Placing Topsoil 4" Depth	SY	10,922	$10.00	$109,220	$54,147	$55,073
Tree, Shrub and Perennial Installation & Establishment	LS	1	$127,625.00	$127,625	$63,272	$64,353
Deer Protection - Tree	EA	411	$18.00	$7,398	$3,668	$3,730
Deer Protection - Shrub	EA	526	$45.00	$23,670	$11,735	$11,935
Wood Fence-Replace (at Upper-most SCE)	LF	35	$15.00	$525	$260	$265
Trail improvements/markers/signage	LS	1	$6,000.00	$6,000	$6,000	$0
Avery Road	LS	1	$115,509.90	$115,510	$115,510	$0
			Subtotal	**$4,225,487**	**$2,225,487.00**	**$2,000,000.00**

Leveraged Funds:
The City of Rockville will be providing **$2,225,487.00** in leveraged funds to the project. The leveraged funding will provide construction expenses to complete the stream restoration. These leveraged funds demonstrate local commitment to the project and will be a component of the Final Report; however, these funds will not be documented through invoices.

City of Rockville procurement guidelines and procedures will be followed.

Section III. Other Requirements

1. **Reporting/Documentation Requirements:**

Progress reports shall be submitted through the DNR CCS Grants Gateway management portal (https://webportalapp.com/sp/home/grants_gateway) to assure that projects are on task to meet milestone target dates. Each report must document project and budget status and identify any problems or other concerns. The reports will be submitted in line with the following schedule:

Time Frame	Due Date
June 1, 2023 – June 30, 2023	July 15, 2023
July 1, 2023-September 30, 2023	October 15, 2023
October 1, 2023 – December 31, 2023	January 15, 2024
January 1, 2024 – March 31, 2024	April 15, 2024
April 1, 2024– June 30, 2024	July 15, 2024
July 1, 2024 – September 30, 2024	October 15, 2024
October 1, 2024 – December 31, 2024	January 15, 2025
January 1, 2025 – March 31, 2025	April 15, 2025
April 1, 2025– June 30, 2025	July 15, 2025
July 1, 2025 – September 30, 2025	October 15, 2025
October 1, 2025– December 31, 2025	December 31, 2025 (FINAL)

Invoices with appropriate back-up documentation shall be submitted for the same time frames noted above unless prepaid expenses are approved.

2. **Prepaid Expenses**

Prepayment of expenses will be considered based on documentation of immediate need by the Grantee. All requests must be accompanied by a detailed list of proposed expenditures and shall include original correspondence from contractors to document requested prepayment. If provision of prepaid expenses is approved by the Department, receipts and back-up documentation must be submitted on a calendar-month basis. With exception of the final report and final invoice, calendar-month reports and prepayment back-up documentation is due by the 15th of the following month. (e.g. March 1, 2021-March 31, 2021 information is due April 15, 2021.) The Grantee will certify in the monthly report what work has been completed in relation to the approved scope of work. If contractor invoices do not include a term of work, the Grantee will certify the term of work. The Grantee will provide proof of payment to include date paid and check number (or voucher number).

Documentation and all proof of payment for the prepaid expenses must be submitted prior to submitting any further requests for prepayment or reimbursement. Failure to provide adequate back-up documentation for a prepayment will result in delays/reductions to future reimbursements.

A **final report** will be required at the end of the project period to provide a detailed summary of the outcomes/results, lessons learned, impact of the funding and next steps. This report should cover activities conducted over the entire project period and should be suitable for printing and sharing through media outlets (i.e. success story). **Photo documentation is required.**

The funding recipient shall not incur costs or obligate funds for any purpose pertaining to the operation of the project beyond the end date stipulated in the grant. The final invoice with appropriate back-up documentation shall be submitted to the Chesapeake and Coastal Service no later than **thirty days** after the end date of the grant.

3. **Signage, Publications, Videos and Acknowledgment of Grant Funding**

In promotion of projects funded through the Chesapeake & Atlantic Coastal Bays Trust Fund (Trust Fund), grant recipients will acknowledge the Trust Fund on all signage, publications, videos, and other promotional materials. A State logo shall be present on materials created to promote projects funded through the Trust Fund. The appropriate logo can be obtained through the Ari Engelberg (ari.engelberg@maryland.gov).

Sample language for signage and other promotional materials: "This project was funded completely or in part by the Maryland's Chesapeake & Atlantic Coastal Bays Trust Fund. For more information, visit http://dnr.maryland.gov/ccs/Pages/funding/trust-fund.aspx."

4. **Guidelines for Proper Invoicing**

Grantees shall submit, generally on a quarterly basis, all invoices and match (if applicable) to the Chesapeake and Coastal Service. **Time period on each invoice shall coincide with time period on backup documentation.** The format of the invoice shall mimic the format of the budget in this scope of work to the greatest extent possible. Each invoice shall include a summary sheet that breaks down expenditures by budget category. The summary sheet should include a salary and fringe breakdown to include grade/step, position, and number of hours worked multiplied by the appropriate hourly pay rate. Also, include all necessary backup documentation that will serve as verification for all expenditures listed on the summary sheet. The grant tracking number will be noted on all invoices. Examples of acceptable documentation for expenditures are listed below.

Appeals for advancement of funds, for the purpose of mobilizing implementation of the project components, will be considered on a project by project basis when need is determined by the Department. All requests must be accompanied by a detailed list of proposed expenditures as well as documented need by contractor to have funding "upfront". If provision of upfront funds is approved, receipts for all purchases are required within 60 days of purchase. Failure to provide adequate back-up documentation for funding advancement will result in delays/reductions to future reimbursement

requests. Examples of acceptable back-up documentation include but are not limited to the following:

Category	Backup Documentation Needed
Salaries	Copies of signed time sheets with project hours associated with the work under the Grant and **proof of payment** (e.g., pay statements) for each individual in the Budget supported by the Grant.
Communication (telephone bills, postage)	Copies of phone bills. Documentation for postage should include copies of receipts.
Travel	Copies of validated bills, invoices and receipts that are related to your travel must be provided along with proof of payment.
Supplies/Equipment	Copies of canceled checks or check numbers, receiving reports showing that merchandise was received, cash register receipts, or FS18 signed by a Fiscal Officer.

For corporate card purchases, each cardholder shall provide the standard DNR "Activity Log," bank memo statement and receipts for recording each transaction (purchase and/or credit) made with each corporate purchasing card which must include the following: *transaction date, merchant name, description of item purchased (including quantity), account (PCA code) to be charged if different from that assigned to the card, and amount of purchase.*

Contractual Services	Copies of bills or invoices with receipts or FS18 signed by a Fiscal Officer. Also, copies of cleared checks or copies of check numbers and/or credit card transactions.
Administration	No backup documentation is required for administrative expenses, but should be calculated at 1.5% of direct costs per invoice period.
Match	Match, if applicable, shall be labeled as match and shall be documented in the same format as direct charges. Match shall be paid out at the same general rate as the Grant share. Match information shall be provided with each invoice submission for direct charges.

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5. **Modifications to the Scope of Work, Budget, or Schedule**

The budget, scope of work, or schedule can be modified using the following guidelines and conditions:

1. Project managers should submit modification requests to the DNR Agreement Representative at least 60 days prior to the requested approval date of the modification.

2. Project managers may shift up to ten percent (10%) of their total project funds from one existing line-item (e.g. supplies, travel, etc.) to another, as long as it doesn't substantively modify the project's goals, objective, milestones or deliverables.

3. Prior approval from the DNR Agreement Representative is required to:
(a) Modify the project budget by more than ten percent (10%); OR
(b) Add a new line-item to the existing budget (e.g., add equipment or subcontractor to the budget); OR
(c) Provide a no-cost extension; OR
(d) Change the project's goals, objectives, milestones or deliverables.

MAYOR AND COUNCIL Meeting Date: December 8, 2025
Agenda Item Type: CONSENT
Department: IT
Responsible Staff: OM THUKRAL

Subject

Award and authorize the City Manager to execute a Rider Agreement for the purchase of various hardware, software, support and professional services by DSI (DISYS Solutions Inc.) of Ashburn, VA and to execute a Lease Agreement for the lease purchase of said network hardware, service and support services with Cisco Systems Capital Corporation to replace the City's end-of-life network hardware, software, and support services, required to maintain functionality of the City's productional network, security, and telecommunications infrastructure in an amount not to exceed $1,918,566.90.

Department

IT

Recommendation

Staff recommends the Mayor and Council award and authorize the City Manager to Execute a Rider Agreement for the purchase of various hardware, software, support, and professional services with DSI (DISYS Solutions Inc.) of Ashburn, VA and a Lease Purchase Agreement with Cisco Systems Capital Corporation for said hardware, software, support and professional services to replace the City's end-of-life network hardware, software, and support services, required to maintain functionality of the City productional network, security, and telecommunications infrastructure in an amount not to exceed $1,918,566.90.

Discussion

This contract will enable the City to continue offering secure network, security, and telecommunications services to all city staff and the public and is required to maintain functionality of City's IT switching network infrastructure.

Mayor and Council History

This is the first time this item has been brought before the Mayor and Council.

Procurement

This purchase rides the Virginia Higher Education Procurement Consortium "VHEPC" UVA-AGR-IT-00183-DISYS contract. The University of Virginia conducted a competitive procurement for these goods and services.

The Rockville City Code states: Sec. 17-71. - Cooperative procurement authorized (b) The City may contract with any contractor who offers goods, services, insurance, or construction on the same terms as provided other state or local governments or agencies thereof who have arrived at those terms through a competitive procurement procedure similar to the procedure used by the City.

In accordance with Rockville City Code, Section 17-39(a), Awarding Authority, all contracts involving more than two hundred fifty thousand dollars ($250,000) shall be awarded by the Mayor and Council.

The RFP conducted by the Virginia Higher Education Procurement Consortium for technology products, services and solutions was awarded on February 28, 2020 with a contract term of 2/28/2020-12/31/2025. The term may be extended up to two (2) successive terms of two (2) years each, until December 31, 2029. The term of this Rider Agreement is from the Effective Date until December 31, 2025 with the option to extend.

DSI (DISYS Solutions, Inc.) is offering the goods and services on the same terms as provided to the Virginia Higher Education Procurement Consortium "VHEPC" UVA-AGR-IT-00183-DISYS contract. This procurement is beneficial to the City to obtain the items in a timely and efficient manner and at a fair cost.

DSI (DISYS Solutions Inc.) is a non-Minority, Female, Disabled or Veterans (non-MFD-V) business.

To view the draft contract, please see Attachment 1.

Attachment 2 - Exhibit A, UVA Procurement Agreement
Attachment 3 - Exhibit B, Scope of Work (Statement of Work)
Attachment 4 - Exhibit C, Compensation and Fee Schedule (Quote)
Exhibit D, Insurance Requirements (included in Attachment 1)

Further, this purchase requires the City enters into a Lease Purchase Agreement contemporaneously with the Rider Agreement for purposes of securing financing over the next seven years.

To view the Lease Purchase Agreement (LPA), including Escrow Agreement, and LPA Addendum, please see Attachment 5.

Fiscal Impact

Sufficient budget capacity is available in the IT Department, IT Operations Division FY 2026 operating budget to support this award. The annual cost is $274,080.98 for implementation, hardware, software, and on-going hardware and software technical support. All future years are subject to Mayor and Council budget appropriations.

Next Steps

Upon Mayor and Council approval, the Procurement Department will complete the execution of the Agreement with Cisco Systems Capital Corporation and DSI (DISYS Solutions Inc.) for the lease purchase and implementation services.

Attachments

Attachment 1 - DISYS (VHEPC) Rider Agreement (11-18-2025), Attachment 2 Exhibit A - UVA Contract DISYS, Attachment 3 Exhibit B - Scope of Work (INET-SOW), Attachment 4 Exhibit C - Compensation and Fee Schedule (Quote CISCO17388E), Attachment 5 - Lease Purchase Addendum_LPA_ Escrow Agreement

CITY OF ROCKVILLE, MARYLAND
Rider Agreement

This **RIDER AGREEMENT** (this "**Rider Agreement**") is made this is made this ___ day of December 2025 (the "**Effective Date**"), by and between **THE MAYOR AND COUNCIL OF ROCKVILLE**, a body politic and municipal corporation of the State of Maryland, acting through its City Manager (the "**Mayor and Council**" or the "**City**"), and **DISYS SOLUTIONS, INC.**, a Virginia Corporation (the "**Contractor**"). Individually, the Mayor and Council and the Contractor may each be referred to as the "**Party**," or collectively as the "**Parties**."

RECITALS

A. **WHEREAS,** the Mayor and Council desires to procure, on behalf of the City of Rockville Department of Information Technology (the "**IT Department"**), various Cisco products, maintenance services and solutions ("**Cisco Hardware and Maintenance Services**") which will enable the IT Department to, among other things, to update and increase hardware efficiency, reduce costs, and enhance the IT Department's flexibility; and

B. **WHEREAS,** in accordance with Section 17-71(b) of the Rockville City Code, the City may enter into a contract to procure the Cisco Hardware and Maintenance Services from the Contractor without utilizing the City's formal solicitation process if (i) if the Contractor has entered into a contract to provide the Cisco Hardware and Maintenance Services to "other state or local governments or agencies," (ii) the other state or local government or agency arrived at the contract terms for the Cisco Hardware and Maintenance Services with the Contractor "through a competitive procurement procedure similar to the procedure used by the City," and (iii) the City obtains the same contract terms the Contractor offered to the other state or local government or agency; and

C. **WHEREAS,** The Rector and Visitors of the University of Virginia, an agency of the Commonwealth of Virginia ("**UVA**") utilizes certain competitive procurement procedures, and the City of Rockville Department of Procurement has determined that UVA's competitive procurement procedures are similar to the competitive procurement procedures utilized by the City; and

D. **WHEREAS,** on August 21, 2019, UVA, on behalf of the Virginia Higher Education Procurement Consortium, a cooperative organization representing 12 public Colleges and Universities in Virginia, and the Virginia Community College System ("**VHEPC**"), issued Request for Proposal RFP-UVA-00011-MW082019 ("**UVA RFP**") to solicit the procurement of certain technology products, services and solutions, and on September 26 2019, the Contractor submitted a response to the UVA RFP agreeing to provide certain technology products and services, including the Cisco Hardware and Maintenance Services, to UVA and the members of VHEPC; and

E. **WHEREAS,** on February 28, 2020, UVA entered into an Agreement with the Contractor (the "**UVA Procurement Agreement**"), attached hereto as **Exhibit A** and incorporated by

this reference, pursuant to which the Contractor agreed to provide UVA and the members of VHEPC with, among other things, the Cisco Hardware and Maintenance Services. In accordance with Section 17-71(b) of the Rockville City Code, the same terms and conditions of the UVA Procurement Agreement for the procurement of the Cisco Hardware and Maintenance Services are extended to the City by Contractor; and

F. **WHEREAS,** the Parties agree that where the terms of this Rider Agreement vary from the terms and conditions of the UVA Procurement Agreement, the terms and conditions of this Rider Agreement shall prevail.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the covenants, warranties and agreements of the Parties hereto, as are hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party hereto, the Parties hereby agree as follows:

OPERATIVE PROVISIONS

ARTICLE I. CONTRACTOR PROVISION OF GOODS AND/OR SERVICES

Section 1.01. Scope of Work. The Contractor shall, in the usual and customary manner consistent with the highest quality industry standards, provide to the City the Cisco Hardware and Maintenance Services in accordance with the "**Scope of Work**" in **Exhibit B**, which is attached hereto and incorporated by this reference.

Section 1.02. Project Administrator. The IT Department is the "**Project Administrator**" for this Rider Agreement. The Contractor shall provide the Scope of Work to the City under the direction of the following designated representative of the Project Administrator:

Donnie Johnson, Business Manager
111 Maryland Avenue, Rockville, MD 20850
240-314-8161
djohnson@rockvillemd.gov

It shall be the Contractor's responsibility to ensure that the Project Administrator is kept informed on the progress of the Scope of Work. The Contractor shall refer any decisions which must be made by the City to the Project Administrator. The City Manager or his designee may modify the foregoing list of Project Administrator(s) by notifying the Contractor of such modification in writing.

Section 1.03. Notices to Proceed. When the City requires certain Cisco Hardware and Maintenance Services, the Contractor will provide the requested hardware and/or services pursuant to the terms and conditions of this Rider Agreement, upon request, on an as-needed basis, as follows:

(a) The Project Administrator will request the Contractor to provide a price quote for certain required Cisco Hardware and Maintenance Services ("**City's Request for Price Quote**"). The Project Administrator shall include with the City's Request for Price Quote (i) a scope of work required for the provision of the Cisco Hardware and Maintenance Services, (ii) the location where the work will be performed and the Cisco Hardware and Maintenance Services provided, and (iii) a detailed preliminary timeline for the scope of work.

(b) Within seven (7) business days of receiving the City's Request for Price Quote, the Contractor shall provide the Project Administrator with a price quote for the requested Cisco Hardware and Maintenance Services (the "**Contractor Price Quote**").

(c) Upon receipt of the Contractor Price Quote, the Project Administrator will notify the Contractor of its acceptance or rejection of the Contractor Price Quote within ten (10) business days.

(d) Upon acceptance of a Contractor Price Quote, the Project Administrator shall provide the Contractor with a City of Rockville Notice to Proceed ("**Notice to Proceed**"). All changes including without limitation scope and timeline must be communicated to the Project Administrator and if acceptable confirmed by the supplemental Notice to Proceed.

(e) Any work performed outside the scope of a written Notice to Proceed is at Contractor's risk and faces the probability of delayed or denied payment.

(f) Any agreements or stipulations in any work order that are contrary to the terms of this Agreement shall be void unless the Parties have expressly agreed in writing that such agreement shall supersede the terms of this Agreement.

ARTICLE II. CONTRACT TERM

Section 2.01. Contract Term. The duration of this Rider Agreement shall begin on the Effective Date and shall expire on December 31, 2025 (the "**Contract Term**"), unless earlier terminated in accordance with Article IX below. Pursuant to its terms, the UVA Procurement Agreement may be extended for up to two (2) successive terms of two (2) years each. If UVA Procurement Agreement is extended, the City may extend the term of this Rider Agreement by up to two (2) successive terms of two (2) years each, until December 31, 2029, by notifying the Contractor of such extension and confirmation of pricing in writing at least 60 days before December 31, 2025, and December 31, 2027, respectively, and subject to Mayor and Council appropriation of adequate funds.

Section 2.02. Time of Essence. Time is of the essence in the performance of the Scope of Work.

ARTICLE III. COMPENSATION AND PAYMENT

Section 3.01. Compensation; Required Appropriation of Funds.

(a) In order to compensate the Contractor for its performance of the Scope of Work and the provision of the Cisco Hardware and Maintenance Services, the Mayor and Council agrees to pay the Contractor, subject to any limitations set forth in this Rider Agreement, an amount not to exceed **ONE MILLION NINE HUNDRED EIGHTEEN THOUSAND FIVE HUNDRED SIXTY-SIX AND 90/100 DOLLARS ($1,918,566.90)** during the initial term of this Rider Agreement, pursuant to the pricing established in the "**Compensation and Fee Schedule**" attached hereto as **Exhibit C** and incorporated herein by reference and the terms and conditions of this Rider Agreement (the "**Contract Sum**"). If the term of this Rider Agreement is extended in accordance with Section 2.01, the annual maximum total compensation shall not exceed TWO HUNDRED NINTY THOUSAND and 00/100 Dollars ($290,000.00) for each fiscal year the term of this Rider Agreement is extended, subject to appropriation by the Mayor and Council. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum compensation set forth in this Section 3.01 shall be at no cost to the Mayor and Council.

(b) The Mayor and Council appropriates funds on a fiscal year basis; the City's fiscal year runs from July 1 through June 30. Funds have been appropriated for the first year of this Rider Agreement through the end of the fiscal year, June 30, 2026. All payments made under this Rider Agreement after June 30, 2026, are contingent upon appropriation and encumbrance of funds. If the Mayor and Council fails to approve an appropriation to fund this Rider Agreement for a subsequent fiscal year, this Rider Agreement shall terminate on the first day of that fiscal year without further cost to the City.

(c) This Rider Agreement does not guarantee any minimum level of purchases or any minimum amount of compensation.

Section 3.02. Manner and Method of Payment; Invoices.

(a) The City shall pay the Contractor in accordance with the Compensation and Fee Schedule. The Contractor is not entitled to a total payment, including fees for expenses, that exceed the Contract Sum. The method of compensation is detailed in the Compensation and Fee Schedule, and may include (i) a lump sum payment upon completion and acceptance of the Cisco Hardware and Maintenance Services, (ii) payment in accordance with specified tasks or the percentage of completion of the provision of the Cisco Hardware and Maintenance Services, (iii) payment for time and materials based upon the Contractor's rates as specified in the Compensation and Fee Schedule, provided that time estimates are provided for the performance of sub tasks, but not exceeding the Contract Sum, or (iv) such other methods as may be specified in the Compensation and Fee Schedule.

(b) Invoices.

(i) Each month, in accordance with the Compensation and Fee Schedule, the Contractor shall submit to the City Manager or his designee invoices, in duplicate, for all work performed, tasks and deliverable completed, and expenses incurred during the preceding month in a form approved by City of Rockville Chief Financial Officer or her designee. The invoice shall include detailed charges for all necessary and actual expenses by the following categories: labor (by sub-category), materials, equipment, supplies, and Subcontractor contracts. Subcontractor charges shall also be detailed by such categories.

(ii) The City Manager or his designee will independently review the invoices submitted by the Contractor to determine whether the work performed, tasks and deliverables completed, and expenses incurred for the provision of the Cisco Hardware and Maintenance Services are in compliance with the provisions of this Rider Agreement. Except as to any charges for work performed or expenses incurred by the Contractor which are disputed by the City, or as provided in Section 9.03, the City will use its best efforts to cause the Contractor to be paid within thirty (30) days of receipt the Contractor's correct and undisputed invoice. In the event any charges or expenses are disputed by the City, the original invoice shall be returned by the City to the Contractor for correction and resubmission.

(iii) All invoices shall be forwarded to the following address:

Donnie Johnson, Business Manager
Department of Information Technology
City of Rockville
240-314-8161(Direct)
djohnson@rockvillemd.gov

(iv) Electronic Payment Option. The City's Vendor ACH Payment Program allows payments to be deposited directly into a designated financial institution account. Funds will be deposited into the account identified automatically and on time. There is no additional cost to participate. All transactions are conducted in a secure environment.

(v) Payment to Subcontractor. Within seven days after receipt of amounts paid by the City for work performed by a subcontractor under this Rider Agreement, the Contractor shall either: (A) pay the subcontractor for the proportionate share of the total payment received from the City attributable to the work performed by the subcontractor under this Rider Agreement; or (B) notify the City and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment and the reason for non-payment. In no event shall the City be liable for the Contractor's failure to pay a subcontractor. It is the Contractor's responsibility to ensure that no lien for work performed by the Contractor or subcontractor is placed on the City.

Section 3.03. Waiver. Payment to the Contractor for work performed and expenses incurred for the provision of the Cisco Hardware and Maintenance Services pursuant to this Rider Agreement shall not be deemed to waive defects in the work performed by the Contractor.

Section 3.04. Errors and Omissions. The Contractor is solely responsible for costs, including, but not limited to, increases in the cost of providing the Cisco Hardware and Maintenance Services and services, arising from or caused by the Contractor's errors and omissions, as applicable, including, but not limited to, the costs of corrections of such errors and omissions, any change order markup costs, or costs arising from delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

ARTICLE IV. COORDINATION OF WORK

Section 4.01. Representatives and Personnel of Contractor. The following key personnel of the Contractor (the "**Key Personnel**") are hereby designated as being the principals and representatives of the Contractor, authorized to act on its behalf with respect to the work related to the provision of the Cisco Hardware and Maintenance Services and make all decisions in connection therewith.

Neeraj Gaba	Sr. Regional Manager MD and PA
(Name)	(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing personnel were a substantial inducement for the City to enter into this Rider Agreement. Therefore, the foregoing Key Personnel shall be responsible during the Term of this Rider Agreement for directing all activities of the Contractor and devoting sufficient time to personally supervise the work hereunder.

Section 4.02. Status of Contractor. The Contractor shall have no authority to bind the officials, officers, employees or agents of the City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against the City, whether by contract or otherwise, unless such authority is expressly conferred under this Rider Agreement or is otherwise expressly conferred in writing by the City Manager. The Contractor shall not at any time or in any manner represent that the Contractor or any of the Contractor's officers, employees, agents, or Subcontractors are in any manner officials, officers, employees or agents of the City. Neither the Contractor, nor any of the Contractor's officers, employees, agents, or Subcontractors, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to the City's employees. The Contractor expressly waives any claim the Contractor may have to any such rights.

Section 4.03. Independent Contractor. Neither the City, nor any of its officials, officers, employees or agents shall (i) have control over the manner, mode or means by which the Contractor, its employees, agents, or Subcontractors perform the work related to the provision of the Cisco Hardware and Maintenance Services, except as otherwise set forth herein; or (ii) have a voice in the selection, discharge, supervision or control of the Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. The Contractor shall perform all services required herein as an independent contractor of the City and shall remain at all times as to the City a wholly independent contractor with only such obligations as are consistent with that role. The Contractor shall not at any time or in any manner represent

that it or any of its agents or employees are agents or employees of the City. The City shall not in any way or for any purpose become or be deemed to be a partner of the Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with the Contractor.

Section 4.04. Intentionally Omitted.

ARTICLE V. CONTRACTOR COVENANTS AND OBLIGATIONS

Section 5.01. Contractor Qualifications. The Contractor covenants that it, its employees, agents and subcontractors, if any, have and shall maintain during the term of this Rider Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform Scope of Work related to the provision of the Cisco Hardware and Maintenance Services.

Section 5.02. Standard of Care. The Contractor covenants that it shall follow the highest professional standards in performing the work related to the provision of the Cisco Hardware and Maintenance Services required hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Rider Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

Section 5.03. Compliance with Law. The Contractor covenants that it shall keep itself informed concerning and shall perform all services and the Scope of Work hereunder in accordance with all ordinances, resolutions, rules, and regulations of the City and any applicable Federal, State or local governmental entity having jurisdiction in effect at the time services are rendered and the Scope of Work performed.

Section 5.04. Licenses, Permits, Fees and Assessments. The Contractor covenants that it shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the Scope of Work required by this Rider Agreement. The Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the Scope of Work required by this Rider Agreement, and shall indemnify, defend and hold harmless the City, its officers, employees or agents of the City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against the City hereunder.

Section 5.05. Conflict of Interest. The Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of the City or which would in any way hinder the Contractor's performance of work related to the provision of the Cisco Hardware and Maintenance Services. The Contractor further covenants that in the provision of the Cisco Hardware and Maintenance Services, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor, if any, without the express written consent of the City Manager. The Contractor

agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the City in the performance of this Rider Agreement. The Contractor further covenants that, in the performance of this Rider Agreement, it will not employ subcontractors or other persons or parties having such an interest. The Contractor certifies that no person who has or will have any financial interest under this Rider Agreement is a member, officer or employee of the City; this provision will be interpreted in accordance with the applicable provisions of the Rockville City Code, as amended from time to time. The Contractor agrees to notify the City Manager or designee if any conflict arises.

Section 5.06. Compliance with ADA. The Contractor covenants and agrees that pursuant to the Americans with Disabilities Act of 1990, as amended (the "**ADA**"), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor or subcontractor, are required to be accessible to the disabled public. The Contractor will perform the Scope of Work specified in this Rider Agreement in a manner that complies with the ADA and any other applicable federal, state and local disability rights laws and regulations, as amended from time to time. The Contractor will not discriminate against persons with disabilities in the performance of the Scope of Work for the provision of services, benefits or activities provided under this Rider Agreement.

ARTICLE VI. RECORDS, REPORTS, AUDIT, AND RELEASE OF INFORMATION

Section 6.01. Records. The Contractor shall keep, and require subcontractors, if any, to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, records, reports, studies, documents or other information relating to the disbursements charged to City and services performed hereunder (the "**Books and Records**"), as shall be necessary to perform the work related to the provision of the Cisco Hardware and Maintenance Services required by this Rider Agreement and enable the Project Administrator to evaluate the performance of such Services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The City Manager and his designee shall have full and free access to such Books and Records at all times during normal business hours of the City of Rockville, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of five (5) years following completion of the Scope of Work hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of the Contractor's business, custody of the Books and Records may be given to City, and access shall be provided by the Contractor's successor in interest.

Section 6.02. Reports. The Contractor shall periodically prepare and submit to the Project Administrator such reports concerning the performance related to the provision of the Cisco Hardware and Maintenance Services as the Project Administrator shall require. The Contractor hereby acknowledges that the cost of work and services to be performed pursuant to this Rider Agreement is a priority for the City. For this reason, the Contractor agrees that if the Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially

increase or decrease the cost of the work or services contemplated herein or, if the Contractor is providing design services, the cost of the project being designed, the Contractor shall promptly notify the Project Administrator of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if the Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

Section 6.03. Right to Audit. The City retains the right to review and audit, and the reasonable right of access to the Contractor's and any Subcontractor's premises, to review and audit the Contractor 's or Subcontractor's compliance with the provisions of this Rider Agreement (the "**City's Audit Right**"). The City's Audit Right includes the right to inspect, photocopy, and retain copies of the Books and Records, outside of the Contractor 's premises if deemed necessary by the City in its sole discretion. The City shall keep these Books and Records confidential to the extent permitted by law.

(a) Audit. The City's Audit Right includes the right to examine the Books and Records of procedures and practices that the City determines are necessary to discover and verify that the Contractor or Subcontractor is in compliance with all requirements under this Rider Agreement.

(b) Cost Audit. If there is a claim for additional compensation, the City's Audit Right includes the right to Books and Records that the City determines are necessary to discover and verify all direct and indirect costs, of whatever nature, which are claimed to have been incurred, or anticipated to be incurred.

(c) Accounting Records. The Contractor and all Subcontractors shall maintain complete and accurate Books and Records in accordance with generally accepted accounting practices. The Contractor and Subcontractors shall make available to the City for review and audit all Books and Records relating to the Scope of Work. Upon the City's request, the Contractor and Subcontractors shall submit exact duplicates of originals of all requested records to the City.

(d) City's Audit Right Binding on Subcontractors. The Contractor shall include the City's Audit Right as described in this Section 6.03 in any and all of their subcontracts and shall ensure that these sections are binding upon all Subcontractors.

Section 6.04. Intentionally Omitted.

Section 6.05. Confidentiality and Release of Information.

(a) All information gained or work product produced by the Contractor in performance of this Rider Agreement shall be considered confidential, unless such information is in the public domain or already known to the Contractor. The Contractor shall not release or disclose any such information or work product to persons or entities other than the City without prior written authorization from the Project Administrator.

(b) The Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Project Administrator or unless requested by the City

Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Rider Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided the Contractor gives City notice of such court order or subpoena.

(c) If the Contractor, or any officer, employee, agent or subcontractor of the Contractor, provides any information or work product in violation of this Rider Agreement, then the City shall have the right to reimbursement and indemnity from the Contractor for any damages, costs and fees, including attorneys' fees, caused by or incurred as a result of the Contractor's conduct.

(d) The Contractor shall promptly notify the City should the Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Rider Agreement and the work performed there under. The City retains the right, but has no obligation, to represent the Contractor or be present at any deposition, hearing or similar proceeding. The Contractor agrees to cooperate fully with the City and to provide the City with the opportunity to review any response to discovery requests provided by the Contractor. However, this right to review any such response does not imply or mean the right by the City to control, direct, or rewrite said response.

ARTICLE VII. INSURANCE AND INDEMNIFICATION

Section 7.01. Insurance Requirement.

(a) At the discretion of the Risk Manager for the City of Rockville (the "**Risk Manager**"), the Contractor shall be required to obtain and maintain, at its sole cost and expense, in a form and content satisfactory to the Risk Manager, during the entire term of this Rider Agreement including any extensions thereof, the insurance coverages described in **Exhibit D**, entitled "**Insurance Requirements**", which Insurance Requirements shall cover the Mayor and Council, its appointed officers, and employees and agents of the City of Rockville.

(b) In the event the Contractor subcontracts any portion of the work in compliance with Section 4.04 of this Rider Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 7.01, and such certificates and endorsements shall be provided to the Risk Manager.

Section 7.02. Indemnification. To the full extent permitted by law, the Contractor agrees to indemnify, defend and hold harmless the Mayor and Council and its appointed officers, employees and agents ("**Indemnified Parties**") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "**Claims or Liabilities**") that may be asserted or

claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of the Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which the Contractor is legally liable ("**Indemnors**"), or arising from the Contractor's reckless or willful misconduct, or arising from the Contractor's Indemnors' negligent performance of or failure to perform any term, provision, covenant or condition of this Rider Agreement, and in connection therewith:

(a) The Contractor will defend any action or actions filed in connection with any of said Claims or Liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(b) The Contractor will promptly pay any judgment rendered against the Mayor and Council, its appointed officers, agents or employees for any such Claims or Liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of the Contractor hereunder; and the Contractor agrees to save and hold the Mayor and Council, its appointed officers, agents, and employees harmless therefrom;

(c) In the event the Mayor and Council, its appointed officers, agents or employees is made a party to any action or proceeding filed or prosecuted against the Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of the Contractor hereunder, the Contractor agrees to pay to the Mayor and Council, its appointed officers, agents or employees, any and all costs and expenses incurred by the Mayor and Council, its appointed officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

The Contractor shall incorporate similar, indemnity agreements with its subcontractors and if it fails to do so the Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes Claims or Liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of the Contractor in the performance of services hereunder. The provisions of this Section do not apply to Claims or Liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of the Contractor and shall survive termination of this Rider Agreement.

Section 7.03. Intentionally Omitted.

Section 7.04. Sufficiency of Insurer or Surety. Insurance or bonds required by this Rider Agreement shall be satisfactory only if issued by companies qualified to do business in Maryland, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager due to unique circumstances. If this Rider

Agreement continues for more than 3 years duration, or in the event the Risk Manager determines that the work or services to be performed under this Rider Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies and the performance bond (if any) may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Manager within 10 days of receipt of notice from the Risk Manager.

ARTICLE VIII. CONTRACTOR REPRESENTATIONS AND WARRANTIES

As a material inducement to the Mayor and Council's entry into this Rider Agreement, the Contractor hereby (i) makes the following representations and warranties to the Mayor and Council, as of the Effective Date, (ii) covenants that until the expiration or earlier termination of this Rider Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Rider Agreement not to be true, the Contractor shall promptly give written notice of such fact or condition to the City Manager or his authorized designee, (iii) acknowledges that the Mayor and Council shall rely upon the Contractor's representations made herein notwithstanding any investigation made by or on behalf of the Mayor and Council, and (iv) agrees that such representations and warranties shall survive until the expiration or termination of this Rider Agreement:

Section 8.01. Organization. The Contractor is duly organized, validly existing and in good standing under the laws of the state in which it is organized and is duly qualified to conduct business in the State of Maryland.

Section 8.02. Authority of the Contractor. The Contractor has full power and authority to execute and deliver this Rider Agreement, and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement, and to perform and observe the terms and provisions of all of the above.

Section 8.03. Authority of Persons Executing Documents. This Rider Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of the Contractor, and all actions required under the Contractor's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Rider Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

Section 8.04. No Breach of Law or Agreement. To the Contractor's knowledge, neither the execution nor delivery of this Rider Agreement or any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Rider Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict

with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on the Contractor, or any provision of the organizational documents of the Contractor, or will materially conflict with or constitute a material breach of or a material default under any agreement to which the Contractor is a party, or will result in the creation or imposition of any lien upon assets or property of the Contractor, other than liens established pursuant hereto.

Section 8.05. Qualifications. The Contractor, its employees, agents and subcontractors, if any, possess the necessary professional expertise, qualifications and capabilities, and all required licenses and certifications to perform the Scope of Work and provide the Cisco Hardware and Maintenance Services.

ARTICLE IX. ENFORCEMENT OF AGREEMENT AND TERMINATION

Section 9.01. Maryland Law. This Rider Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of Maryland. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Rider Agreement shall be instituted in the Circuit Court of Montgomery County, State of Maryland, and the Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the State of Maryland, Southern Division.

Section 9.02. Disputes; Default. In the event that the Contractor is in default under the terms of this Rider Agreement, the City shall not have any obligation or duty to continue compensating the Contractor for any work performed after the date of default. Instead, the City may give notice to the Contractor of the default and the reasons for the default. The notice shall include the timeframe in which the Contractor may cure the default. This timeframe is presumptively twenty (20) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that the Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If the Contractor does not cure the default, the City may take necessary steps to terminate this Rider Agreement under this Article. Any failure on the part of the City to give notice of the Contractor's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Rider Agreement.

Section 9.03. Retention of Funds. The Contractor hereby authorizes the City to deduct from any amount payable to the Contractor (whether or not arising out of this Rider Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate the City for any losses, costs, liabilities, or damages suffered by the City, and (ii) all amounts for which the City may be liable to third parties, by reason of the Contractor's acts or omissions in performing or failing to perform the Contractor's obligation under this Rider Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by the Contractor, or any indebtedness shall exist which shall appear to be the basis for

a claim of lien, the City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of the City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect the City as elsewhere provided herein.

Section 9.04. Waiver. Waiver by either Party to this Rider Agreement of any term, condition, or covenant of this Rider Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Rider Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Rider Agreement. Acceptance by the City of any work or services by the Contractor shall not constitute a waiver of any of the provisions of this Rider Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Rider Agreement.

Section 9.05. Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Rider Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

Section 9.06. Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Rider Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Rider Agreement.

Section 9.07. Intentionally Omitted.

Section 9.08. Termination Prior to Expiration of Term. This Section shall govern any termination of this Rider Agreement except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Rider Agreement at any time, with or without cause, upon thirty (30) days' written notice to the Contractor, except that where termination is due to the fault of the Contractor, the period of notice may be such shorter time as may be determined by the City Manager or his designee. Upon receipt of any notice of termination, the Contractor shall immediately cease all work hereunder except such as may be specifically approved by the City Manager or his designee. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all portions of the Scope of Work performed prior to the effective date of the notice of termination for any Scope of Work authorized by the City Manager or his designee or such as may be approved by the City Manager or his designee, except as provided in Section 7.02. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section,

the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 9.02.

Section 9.09. Termination for Default by Contractor. If termination is due to the failure of the Contractor to fulfill its obligations under this Rider Agreement, the City may, after compliance with the provisions of Section 9.02, take over the work related to the provision of the Cisco Hardware and Maintenance Services and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the Cisco Hardware and Maintenance Services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and the City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

Section 9.10. Attorneys' Fees. If either Party to this Rider Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Rider Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.01. Notices, Demands, and Communications Between the Parties. Formal notices, demands, and communications between the Contractor and the City shall be given either by (a) personal service, (b) delivery by reputable overnight document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (c) mailing utilizing a certified or mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, addressed to:

To the City:

Mayor and Council of Rockville
c/o Office of the City Clerk / Director of Council Operations
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Clerk / Director of Council Operations
Email: cityclerk@rockvillemd.gov
Telephone: (240) 314-8283

With copies to:

Office of the City Manager
111 Maryland Avenue

Rockville, Maryland 20850
Attn: City Manager
Email: cmo@rockvillemd.gov
Telephone: (240) 314-8102

Office of the City Attorney
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Attorney
Email: cityattorney@rockvillemd.gov
Telephone: (240) 314-8150

Department of Purchasing
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Director
Email: procurement@rockvillemd.gov
Telephone: (240) 314-8432

To the Contractor:

Vinu Luthra, Chief Operating Officer
DISYS Solutions, Inc.
44670 Cape Court, Suite 100
Ashburn, Virginia 20147
bidsdistribution@dsitech.com
Telephone: (410) 923-8680

Notices personally delivered shall be deemed effective upon receipt or refusal thereof. Notices given by a reputable overnight document delivery service shall be deemed effective one (1) business day after delivery by such service. Notices mailed shall be deemed effective on the fifth (5^{th}) business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate in writing. As used herein, "business day" means a day other than Saturday, Sunday, or a federal holiday, state holiday in the State of Maryland, or a city holiday in the City of Rockville, Maryland.

Section 10.02. Incorporation of Recitals;Interpretation.

(a) Incorporation of Recitals. The Recitals and Exhibits are an integral part of this Rider Agreement and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Rider Agreement. Accordingly, the Recitals above and Exhibits attached are incorporated as if fully set forth into this Rider Agreement by this reference and

incorporated by reference and state the obligations as if the parties to the UVA Procurement Agreement were identical to the parties of this Rider Agreement.

(b) Interpretation. The terms of this Rider Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against any Party by reason of the authorship of this Rider Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only and shall not be construed to limit or extend the meaning of this Rider Agreement. In the event of any conflict or inconsistency between the provisions of this Rider Agreement and the UVA Procurement Agreement, the provisions of this Rider Agreement will prevail and govern the interpretation thereof.

Section 10.03. Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the Mayor and Council shall be personally liable to the Contractor in the event of any default or breach by the Mayor and Council or for any amount which may become due to the Contractor or its successors or assigns or on any obligation under the terms of this Rider Agreement.

Section 10.04. No Waiver of Sovereign Immunity by Mayor and Council. Notwithstanding any other provisions of this Rider Agreement to the contrary, nothing in this Rider Agreement nor any action taken by the Mayor and Council pursuant to this Rider Agreement nor any document which arises out of this Rider Agreement shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the Mayor and Council and its appointed officials, officers and employees.

Section 10.05. No Third-Party Beneficiaries. No provision of this Rider Agreement shall be construed to confer any rights upon any person or entity who is not a Party hereto, whether a third-party beneficiary or otherwise.

Section 10.06. Equal Opportunity Employment. Contractor will not discriminate against any employee or applicant for employment because of age (in accordance with applicable law), sex, race, ancestry, color, religion, sexual orientation, gender identity or expression, physical or mental handicap, marital status, or political expression. Contractor will take affirmative action to ensure that applicants are employed, and the employees are treated fairly and equally during employment with regard to the above. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment, layoff or termination, rates of pay or other form of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

If Contractor fails to comply with nondiscrimination clauses of this contract or fails to include such contract provisions in all subcontracts, this contract may be declared void AB INITIO, cancelled, terminated or suspended in whole or in part and Contractor may be declared ineligible for further contracts with the Mayor and Council. Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to the City Manager who shall commence a

prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor will permit access to Contractor's books, records, and accounts. If the City Manager concludes that the Contractor has failed to comply with nondiscrimination clauses, the remedies set out above may be invoked.

Section 10.07. Authority of the City Manager in Disputes. Any dispute concerning a question of fact arising under the agreement signed by the City and the Contractor which is not disposed of by this Rider Agreement shall be decided by the City Manager who shall notify the Contractor in writing of his determination. The Contractor shall be afforded the opportunity to be heard and offer evidence in support of the claim. Pending final decision of the dispute herein, the Contractor shall proceed diligently with performance under this Rider Agreement. The decision of the City Manager shall be final and conclusive unless an appeal is taken pursuant to the City Purchasing Ordinance.

Section 10.08. Tax Exemption. The City is exempt from the payment of any federal excise or any Maryland sales tax.

Section 10.09. Severability. If any term, provision, covenant, or condition of this Rider Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Rider Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Rider Agreement. In the event that all or any portion of this Rider Agreement is found to be unenforceable, this Rider Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all steps necessary to comply with such procedures or requirements as may be necessary in order to make valid this Rider Agreement or that portion which is found to be unenforceable.

Section 10.10. Entire Agreement, Waivers and Amendments. This Rider Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties. All waivers of the provisions of this Rider Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties.

Section 10.11. Counterparts. This Rider Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

Section 10.12. Electronic Signatures. This Agreement may be executed by electronic signature, which will be construed as an original signature for all purposes and have the same force and effect as an original signature. For these purposes, "electronic signature" means electronically scanned and transmitted versions (e.g., via pdf file or facsimile transmission) of an original signature, or signatures electronically inserted via software such as DocuSign or Adobe Sign.

(Signature pages to follow)

IN WITNESS WHEREOF, the Mayor and Council and the Contractor have each executed, or caused to be duly executed, this Rider Agreement for the procurement of the Cisco Hardware and Maintenance Services under seal in duplicate, in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives thereunto duly authorized) as of the day and year first written above.

MAYOR AND COUNCIL

Approved as to form:

THE MAYOR AND COUNCIL OF ROCKVILLE, a body corporate and municipal corporation of the State of Maryland

_____
Robert E. Dawson, City Attorney

By: _____
Jeff Mihelich, City Manager

CONTRACTOR

DISYS SOLUTIONS INC, a Virginia Corporation

By: _____
Vinu Luthra, COO

EXHIBIT A
UVA Procurement Agreement

See Attached

EXHIBIT B
Scope of Work

See Attached

EXHIBIT C
Compensation and Fee Schedule

See Attached DISYS Solutions Inc. Quote CISCO1738E

EXHIBIT D
City of Rockville Insurance Requirements

Insurance Requirements

Prior to the execution of the contract by the City, the Contractor must obtain at their own cost and expense and keep in force and effect during the term of the contract including all extensions, the following insurance with an insurance company/companies licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. The Contractor's insurance shall be primary. The Contractor must submit to the Purchasing Division, 111 Maryland Avenue, Rockville, MD 20850 a certificate of insurance prior to the start of any work. In no event may the insurance coverage be less than shown below.

Unless otherwise described in this contract the successful contractor and subcontractors will be required to maintain for the life of the contract and to furnish the City evidence of insurance as follows:

MANDATORY REQUIREMENTS FOR INSURANCE

Contractor's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Contractor's insurance and shall not be called upon to contribute with it.

Type of Insurance	Amounts of Insurance	Endorsements and Provisions
1. ***Workers' Compensation*** *2.* ***Employers' Liability***	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $500,000 policy limits Bodily Injury by Disease: $100,000 each employee	Waiver of Subrogation: **WC 00 03 13 Waiver of Our Rights to Recover From Others Endorsement signed and dated.**
3. Commercial General Liability a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	Each Occurrence: $2,000,000 General Aggregate $3,000,000	City to be included as additional insured and provided 30 day notice of cancellation or material change in coverage. **CG 20 37 07 04 and CG 20 10 07 04 forms to be both signed and dated.**
4. Automobile Liability a. All Owned Autos b. Hired Autos c. Non-Owned Autos	Combined Single Limit for Bodily Injury and Property Damage - (each accident): $2,000,000	City to be included as additional insured and provided 30-day notice of cancellation or material change in coverage. **Form CA20 48 02 99 form to be both signed and dated.**
5.		
6. Professional Liability	Each Claim /Aggregate: $1,000,000	

Alternative and/or additional insurance requirements, when outlined under the special provisions of this contract, shall take precedence over the above requirements in part or in full as described therein.

POLICY CANCELLATION

No change, cancellation or non-renewed shall be made in the General Liability, Workers' Compensation, or Automobile Liability insurance coverage without a thirty (30) day written notice to the City Purchasing Division. The Contractor shall furnish a new certificate prior to any change or cancellation date. The failure of the Contractor to deliver a new and valid certificate will result in suspension of all payments and cessation of on-site work activities until a new certificate is furnished.

ADDITIONAL INSURED

The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents and employees must be included as an additional insured on the Contractor's Commercial Insurance for liability arising out of contractor's products, goods, and services provided under this contract. Additionally, The Mayor and Council of Rockville must be included as additional insured on the Contractor's Automobile and General Liability Policies. Endorsements reflecting the Mayor and Council of Rockville as an additional insured are required to be submitted with the insurance certificate.

SUBCONTRACTORS

All subcontractors shall meet the requirements of this Section before commencing work. In addition, Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

CERTIFICATE HOLDER

The Mayor and Council of Rockville
(Contract #, title)
City Hall
111 Maryland Avenue
Rockville, MD 20850

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AGREEMENT

#: UVA-AGR-IT-00183-DISYS

This Agreement is by and between The Rector and Visitors of the University of Virginia (the "University") and DISYS Solutions, Inc. ("Selected Firm"). This Agreement shall be effective on the last signature date of the signing parties.

TERM

The term of this Agreement will be in effect until December 31, 2025 with two 2-year renewal options. The University reserves the right to terminate this Agreement at any time by providing 30 days written notice to the Selected Firm.

WITNESS

By its Request for Proposal (RFP) #RFP-UVA-00011-MW082019, Technology Value-Added Resellers, the University requested proposals from firms to provide a broad range of technology products, services and solutions ("Goods and/or Services") to meet the requirements of the University and the Virginia Higher Education Procurement Consortium ("VHEPC") and its members (collectively the "University"). In response to the RFP, Selected Firm submitted a proposal. The University and Selected Firm wish to express in this Agreement the basis on which Selected Firm will provide the Goods and/or Services to the University. Accordingly, and in consideration of the mutual premises and provisions hereof, the parties hereby agree as follows:

I. Contents

These documents are hereby incorporated into this Agreement either as an attachment or by reference:

A. Agreement Attachment A, General Contractual Provisions
B. Agreement Attachment B, Specific Contractual Provisions
C. Agreement Attachment C, Goods & Services / Pricing – Fees - Discounts
D. Agreement Attachment D, Statement of Work (SOW) Template
E. The RFP (by reference); and
F. Selected Firm's proposal in response to the RFP (by reference).

To the extent that the terms of this Agreement and/or the various Agreement documents are in conflict, the order of precedence shall be (i) this Agreement, (ii) the Agreement Attachments in the order they are listed above, (iii) the RFP, and then (iv) the Selected Firm's proposal in response to the RFP.

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II. Specific Provisions

A. Goods and/or Services and Pricing/Fees/Discounts

The Goods and/or Services the Selected Firm may be requested to provide under this Agreement, to include the fee/rate structure/pricing methodology, are shown in Attachment C. Goods and/or Services will be provided on an as needed basis. As such, the University makes no guarantee that Goods and/or Services will be requested/purchased during the Term. The University and Selected Firm reserve the right to renegotiate the price of the Goods and/or Services as needed throughout the term of this Agreement. Any changes will be reflected in an updated / revised Attachment C.

B. Ordering Procedures

A proposal for Goods and/or Services must be specifically requested of Selected Firm by the University. When such Goods and/or Services are specifically requested, Selected Firm will prepare a quote and/or statement of work ("SOW") as applicable.

SOWs will be in a form substantially similar to the form described in Attachment 4, Sample Statement of Work, and will reference this Agreement. Unless otherwise agreed to by the parties, additional contractual provisions may not be introduced in the proposed SOW. In addition, the SOW may not be marked as proprietary or confidential. SOWs will be used solely to describe the personnel, Services, deliverables, and applicable fees, and will be mutually agreed upon by the University and Selected Firm.

If the University desires to have Selected Firm provide the Goods described in a quote or Services described in a proposed statement of work, the University will issue a Purchase Order. The University Purchase Order shall be deemed to be accepted by Selected Firm within two business days after the Purchase Order is issued unless Selected Firm provides a notice of rejection to University.

C. Delivery/Shipping

Deliveries to Members range from, but are not limited to: (1) one central receiving location, (2) multi-campus locations, (3) campus building(s), or (4) department(s). Frequency of delivery may range from: (1) daily, (2) weekly, (3) monthly, or (4) as needed to assure that institutions' needs are met. Delivery may be based on storeroom delivery, Just-in-Time agreements, drop shipments, and delivered and installed. Normal delivery

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of orders must be accomplished at established times as set by the Member. Order Fill rate shall be maintained at 95% or greater as defined in Section D, above. Selected Firm(s) shall have the capability of expediting the delivery of orders to assure no shortage of product during installation. Title and risk of loss shall pass to the Member at the F.O.B. destination point. The title and risk of loss of the goods shall not pass to a given Member until receipt of the goods at the point of delivery. The products furnished shall be delivered F.O.B. Destination, Full Freight Allowed (Selected Firm pays freight). Selection of a carrier for shipment will be Selected Firm's option unless otherwise specified by the Member. If special delivery or handling charges are applicable they shall be pre-approved by the Member. Selected Firm shall maintain records evidencing the delivery of goods and upon request by the Member provide such proof of delivery.

D. **Defective Products**

All defective products shall be replaced and exchanged by the Selected Firm. The cost of transportation, re-shipping or other like expenses shall be paid by the Selected Firm and in the case of certain, special orders, other reasonable charges may be paid by the Selected Firm as defined in the order or as otherwise agreed to by the Parties. All replacement products must be received by the University within seven (7) days of initial notification, when such products are in Selected Firm stock; if replacement product is not in Selected Firm's stock, Selected Firm will use commercially reasonable efforts to order the product within one (1) business day of the initial notification from the University and will ensure product is received within seven (7) days after Selected Firm's receipt of the product

E. Payment Terms

Selected Firm agrees to the following payment term. All payments will be made by check.

- ☒ Net 45
- ☐ .5% 30 / Net 45
- ☐ 1% 25 / Net 45
- ☐ 1.5% 20 / Net 30
- ☐ 2% 15 / Net 30

The Selected Firm may at any time during the term of this Agreement switch their payment method to either Ghost Card (ePayables) or ACH (Paymode –X). The Selected Firm must contact the University's banking service provider, Bank of America, or its partner Paymode-X, to setup one of these payment options.

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Contact Information:

- ePayables: 855-637-8396 or email at virginia@supplier-services.com
- Paymode-X: 800-331-0974 or www.paymode.com/universityofvirginia

NOTE: Each VHEPC Member may establish their own invoicing/payment terms and requirements with the Selected Firms as needed.

F. Membership Addendum

Each Member of VHEPC may negotiate their own Addendum with Selected Firm to meet specific Member requirements.

G. Reporting Requirements

If requested, the Selected Firm will provide purchasing data on all transactions. This data will include the following:

a. University Name
b. PO Number
c. Customer PO Number
d. Order Date
e. Invoice Number
f. Invoice Date
g. Vendor Part Number
h. Manufacturer
i. Manufacturer Part Number
j. Product Description
k. Product Category
l. UNSPSC Code
m. Quantity
n. Unit List Price
o. Unit Net Price
p. Extended Net Volume
q. Quote Number*
r. Contract Number
s. Software License Level*
t. Maintenance Start Date*
u. Maintenance End Date*
v. Media*

*if applicable

H. Contract Administration

1. Primary Administration: Individual University departments and VHEPC members are the point of contact for day-to-day operations

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under this Agreement. Individual University departments or VHEPC cannot approve amendments to this Agreement or price changes.

2. Secondary Administration: Selected Firm will channel all Contract Administration questions not pertaining to a specific service or departmental / VHEPC members request through the VHEPC and University's Procurement & Supplier Diversity Service department, and specifically the individuals named below:

a. **VHEPC**
Ryan Balber
Director, VHEPC
Carruthers Hall, 1001 N. Emmet Street
Charlottesville, Virginia 22904-4202
Phone: 434-297-6099; Mobile 217-649-9700
Email: rb7pq@virginia.edu

b. **University of Virginia**
Michael Warlick, Senior Buyer
Procurement & Selected Firm Diversity Services
University of Virginia
Carruthers Hall, 1001 N. Emmet Street
PO Box 400202
Charlottesville, Virginia 22904-4202
Phone: 434-924-8918; Email: warlick@virginia.edu

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ACCEPTANCE

For the Rector and Visitors of the University of Virginia

DocuSigned by:
John McHugh
288C58E51C53418...

John McHugh, Interim Director
Procurement & Supplier Diversity Services

Date: 2/28/2020

For Selected Firm

Name: Vinu Luthra
Title: Chief Operating Officer
Firm: DISYS Solutions, Inc.

Date: February 28, 2020

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ATTACHMENT A
GENERAL CONTRACTUAL PROVISIONS

A. Nondiscrimination

During the performance of this Agreement, Selected Firm will comply with the contract provisions contained in Section 2.2-4311 (1) & (2) of the Code of Virginia or any successor provisions which may be applicable to this Agreement. Also, in accordance with Section 2.2-4343.1, the University does not discriminate against faith-based organizations.

B. Conflict of Interests

Selected Firm represents to the University that its entering into this Agreement with the University and its performance through its agents, officers and employees does not and will not involve, contribute to nor create a conflict of interest prohibited by the Virginia State and Local Government Conflict of Interests Act (Va. Code 2.2-3100 *et seq*), the Virginia Ethics In Public Contracting Act (Va. Code 2.2-4367 *et seq*), the Virginia Governmental Frauds Act (Va. Code 18.2-498.1 *et seq*) or any other applicable law or regulation.

C. Independent Contractor

Selected Firm is not an employee of the University, but is engaged as an independent Selected Firm. Selected Firm will indemnify and hold harmless the Commonwealth of Virginia, the University, and its employees and agents, with respect to all withholding, Social Security, unemployment compensation and all other taxes or amounts of any kind relating to Selected Firm's performance of this Agreement. Nothing in this Agreement will be construed as authority for Selected Firm to make commitments which will bind the University, or to otherwise act on behalf of the University, except as the University may expressly authorize in writing.

D. Workers' Compensation and Employers' Liability

Selected Firm will (i) maintain Employers Liability coverage of at least $100,000 and (ii) comply with all federal or state laws and regulations pertaining to Workers' Compensation requirements for insured or self-insured programs.

E. Drug-Free Workplace

Selected Firm, its agents and employees are prohibited, under the terms of this Agreement, Code of Virginia Section 2.2-4312, and the Commonwealth of Virginia, Department of Human Relations Management Policy Number 1.05, from manufacturing, distributing, dispensing, possessing, or using any unlawful or unauthorized drugs or alcohol while on University property.

During the performance of this Agreement, Selected Firm agrees to 1) provide a drug-free workplace for Selected Firm's employees; 2) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in Selected Firm's workplace and specifying the actions that will be taken against employees for violations of such prohibition; 3) state in all solicitations or advertisements for employees placed by or on behalf of Selected Firm that it maintains a drug-free workplace; and 4) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific agreement awarded to a Selected Firm, the employees of whom are prohibited from engaging in the unlawful manufacturing, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of this Agreement.

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F. Information Technology Access

All electronic and information technology procured through this agreement must meet the applicable accessibility standards of Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d) as amended and is viewable at http://www.section508.gov. Additionally, in accordance with § 2.2-3504 of the Code of Virginia, the following will apply to all information technology Agreements:

NON-VISUAL ACCESS TO TECHNOLOGY: All information technology (the "Technology") which is purchased or upgraded by the University will comply with the following non-visual access standards from the date of purchase or upgrade until the expiration of this Agreement:

- Effective, interactive control and use of the Technology will be readily achievable by non-visual means;
- Technology equipped for non-visual access will be compatible with information technology used by other individuals with whom any blind or visually impaired user of the Technology interacts;
- Non-visual access technology will be integrated into any networks used to share communications among employees, program participants or the public; and
- Technology for non-visual access will have the capability of providing equivalent access by non-visual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

Compliance with the foregoing non-visual access standards will not be required if the Director of Procurement and Supplier Diversity Services, University of Virginia determines that 1) the Technology is not available with non-visual access because the essential elements of the Technology are visual and 2) non-visual equivalence is not available.

Installation of hardware, software, or peripheral devices used for non-visual access is not required when the Technology is being used exclusively by individuals who are not blind or visually impaired, but applications programs and underlying operating systems (including the format of the data) used for the manipulation and presentation of information will permit the installation and effective use of non-visual access software and peripheral devices.

If requested, the agreement must provide a detailed explanation of how compliance with the foregoing non-visual access standards is achieved and a validation of concept demonstration.

G. Unauthorized Alien Use

Selected Firm warrants that it does not knowingly employ an “unauthorized alien,” as such term is defined in the federal Immigration Reform and Control Act of 1986. Selected Firm furthermore agrees that, during the term of this Agreement, it will not knowingly employ an unauthorized alien.

H. Additional Federal Grant Provisions

The following provisions apply to a contract made under a federal grant: Appendix II to Part 200 - Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.

I. Assignment

Neither party to this Agreement will have the right to assign this Agreement in whole or in part without the prior written consent of the other.

J. Amendments

No amendment of this Agreement will be effective unless it is reduced to writing and executed by the University's Director of Procurement and Supplier Diversity Services and by the individual signing Selected Firm's proposal or by other individuals named by either party as specified in the

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Notices provision below. If Selected Firm deviates from the terms of this Agreement without a written amendment, it does so at its own risk.

K. Notices

Any notice required or permitted to be given under this Agreement will be in writing and will be deemed duly given: (1) if delivered personally, when received; (2) if sent by recognized overnight courier service, on the date of the receipt provided by such courier service; (3) if sent by registered mail, postage prepaid, return receipt requested, on the date shown on the signed receipt, or (4) if sent by facsimile, when received (as verified by sender's machine) if delivered no later than 4:00 p.m. (receiver's time) on a business day or on the next business day if delivered (as verified by sender's machine) after 4:00 p.m. (receiver's time) on a business day or on a non- business day. All such notices will be addressed to a party at such party's address or facsimile number as shown below.

If to the University:

Procurement and Supplier Diversity Services
University of Virginia
P.O. Box 400202
Charlottesville, Virginia 22904-4202
Phone: 434-924-4019
Fax: 434-982-2690

If to Selected Firm:

The person signing Selected Firm's proposal in response to the University's RFP, at Selected Firm's address indicated in such proposal; or to such other person or address as either may designate for itself in writing and provide to the other.

L. University Registration

Selected Firm agrees to register and remain registered as a supplier with the University during the term of this Agreement, and to comply with all applicable terms and conditions associated with registration.

M. eVA Registration / Transaction Fee

The eVA Internet electronic procurement solution is the Commonwealth of Virginia's comprehensive electronic procurement system. The portal is a gateway for firms to conduct business with state agencies and public bodies. All agencies and public bodies are expected to utilize eVA and all firms desiring to provide goods and/or services in the Commonwealth are encouraged to participate in the eVA Internet e-procurement solution.

Selected Firm is required to register in the eVA Internet e-procurement solution as a condition of award and remain eVA registered during the term of this Agreement. Selected Firm will be subject to an eVA transaction fee, for which Selected Firm will be invoiced by Commonwealth of Virginia, Department of General Services. Selected Firm may not recoup the eVA fee by invoicing the University for the fee. Additional information is available at www.eva.virginia.gov

N. Waiver

No waiver of any right will be deemed a continuing waiver, and no failure on the part of either party to exercise wholly or in part any right will prevent a later exercise of such or any other right.

O. Indemnification

Selected Firm will indemnify and hold harmless The Commonwealth of Virginia, The Rector and Visitors of the University of Virginia, and its agents, employees and officials from any and all costs, damage or loss, claims, liability, damages, expenses (including, without limitation,

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attorneys' fees and expenses) caused by or arising out of the performance or non-performance of this Agreement by Selected Firm or its agents or subcontractors, including the provision of any services or products. Selected Firm warrants that the products, services provided the University may be used by the University without being in violation of any copyright, patent or similar property right or claim by others and will defend, indemnify and save the University (its employees and agents) from and against any such claim.

P. Termination

If Selected Firm fails to provide quality goods or services in a professional manner, solely as determined by the University, and, upon receipt of notice from the University, does not correct the deficiency to the University's satisfaction within 15 calendar days or a time agreed to by both parties in writing, the University reserves the right to terminate this Agreement upon written notice to Selected Firm.

In addition, this Agreement may be terminated by the University for convenience by providing 30 days' notice. The University remains responsible for payment of all products and services it has implemented, used or purchased through the time of termination.

Q. Non-Appropriation

Funding for any Agreement between the University and Selected Firm is dependent at all times upon the appropriation of funds by the Virginia General Assembly and/or any other organization of the Commonwealth authorized to appropriate such funds. In the event that funding to support this Agreement is not appropriated, whether in whole or in part, then this Agreement may be terminated by the University effective the last day for which appropriated funding is available.

R. Right of Audit

The University reserves the right to audit or cause to be audited Selected Firm's books and accounts regarding the University's account at any time during the term of this Agreement and for three years thereafter. Selected Firm will make available to the University all books and records relating to performance of this Agreement as may be requested during said period. This specifically includes, but is not limited to, the right of the University to require Selected Firm perform self-audits within reasonable parameters established by the University.

S. Contractual Claims Procedure

The Virginia Acts of Assembly of 2007, Chapter 943, Chapter 3, Exhibit P and its attachments requires contractors with the University to submit any claims, whether for money or other relief, in writing no later than 60 days after final payment; however, written notice of the contractors intention to file such a claim must be given at the time of the occurrence or beginning of the work upon which the claim is based.

The University's procedure for deciding such contractual claims is:

1. Selected Firm must provide the written claim to:

   Assistant Director of Procurement and Supplier Diversity Services
   University of Virginia
   Carruthers Hall
   1001 North Emmet Street
   P.O. Box 400202
   Charlottesville, Virginia 22904-4202

2. Although Selected Firm may, if it chooses, attempt to resolve its claim by dealing with a University department other than the one stated in Section A above, Selected Firm must submit any unresolved claim in writing no later than 60 days after final payment to the Assistant Director of Procurement and Supplier Diversity Services if it wishes to pursue its claim.

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3. Upon receiving the written claim, the Assistant Director of Procurement and Supplier Diversity Services will review the written materials relating to the claim and decide whether to discuss the merits of the claim with Selected Firm. If such discussion is to be held, the Assistant Director of Procurement and Supplier Diversity Services will contact Selected Firm and arrange such discussion. The manner of conducting such discussion will be as the Assistant Director and Selected Firm mutually agree.

4. The Assistant Director of Procurement and Supplier Diversity Services will mail his or her decision to Selected Firm within 60 days after receipt of the claim. The decision will state the reason for granting or denying the claim.

5. Selected Firm may appeal the decision to:

   Director of Procurement and Supplier Diversity Services
   University of Virginia
   Carruthers Hall
   1001 North Emmet Street
   P.O. Box 400202
   Charlottesville, Virginia 22904-4202

   Provide a written statement explaining the basis of the appeal within 15 days after Selected Firm's receipt of the decision.

6. Upon receiving the written appeal, the Director of Procurement and Supplier Diversity Services will review the written materials relating to the claim and decide whether to discuss the merits of the claim with Selected Firm. If such discussion is to be held, the Director of Procurement and Supplier Diversity Services will contact Selected Firm and arrange such discussion. The manner of conducting such discussion will be as the Director of Procurement and Supplier Diversity Services and Selected Firm mutually agree.

7. The Director of Procurement and Supplier Diversity Services will mail his or her decision to Selected Firm within 60 days after the Director of Procurement and Supplier Diversity Services receipt of the appeal. The decision will state the reasons for granting or denying the appeal.

Nothing in this procedure will preclude either party from filing a claim in any court of the Commonwealth of Virginia to seek legal or equitable remedy if a dispute should arise, in addition to such other remedies as are expressly provided in this Agreement. Selected Firm may not, however, file such claim unless and until it has complied fully with the procedure set forth in this provision.

T. Cooperative Procurement / Use of Agreement by Third Parties

It is the intent of this Agreement to allow for cooperative procurement. Accordingly, any public body, public or private health or educational institution, or any University related foundation may access this Agreement if authorized by Selected Firm.

Participation in this cooperative procurement is strictly voluntary. If authorized by Selected Firm, this Agreement may be extended to the entities indicated above to purchase at fees in accordance with this Agreement. Selected Firm will notify the University in writing of any such entities accessing this Agreement. No modification of this Agreement or execution of a separate agreement is required to participate. Selected Firm will provide semi-annual usage reports for all entities accessing this Agreement. Participating entities will place its own orders directly with Selected Firm and will fully and independently administer its use of this Agreement to include

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contractual disputes, invoicing and payments without direct administration from the University. The University will not be held liable for any costs or damages incurred by any other participating entity as a result of any authorization by Selected Firm to extend this Agreement. It is understood and agreed that the University is not responsible for the acts or omissions of any entity, and will not be considered in default of this Agreement no matter the circumstances.

Use of this Agreement does not preclude any participating entity from using other agreements or competitive processes as the need may be.

U. The University's Authorized Representatives

The only persons who are or will be authorized to speak or act for the University in any way with respect to this Agreement are those whose positions or names have been specifically designated in writing to Selected Firm by the University's Director of Procurement and Supplier Diversity Services.

V. Purchasing Manual

This Agreement is subject to the provisions of the Commonwealth of Virginia "Purchasing Manual for Institutions of Higher Education and Their Vendors" and any subsequent revisions, which is available at this web site: https://vascupp.org/hem.pdf

W. Small, Women-owned and Minority-owned (SWaM) Business Reporting

Selected Firm will identify and fairly consider SWaM firms for subcontracting opportunities when qualified SWaM firms are available to perform a given task in performing for the University under the resulting Agreement. Selected Firm will submit a quarterly SWaM business report to the University by the 8th of the month following each calendar quarter, specifically the months of April, July, October, and January. Selected Firm will submit the quarterly SWaM business reports to:

Lorie Strother
SWaM Contract Administrator
Procurement and Supplier Diversity
Services E-mail: email: ljs8n@virginia.edu

The quarterly SWaM business reports will contain this information:

- SWaM firm's name, address and phone number with which Selected Firm has contracted over the specified quarterly period.
- Contact person at the SWaM firm who has knowledge of the specified information.
- Type of goods and/or services provided over the specified period of time.
- Total amount paid to the SWaM firm as it relates to the University's account.

Selected Firm's failure to provide SWaM reports on a quarterly basis which contain the information required by this section and/or Selected Firm's failure to comply with the plan for utilizing SWaM businesses submitted by Selected Firm as part of its proposal and/or negotiation response may be grounds for debarment pursuant to Section 9. G. 4 of the "Purchasing Manual for Institutions of Higher Education and their Vendors."

X. Goods and/or Services

During the term of this Agreement, Selected Firm will provide for the University the goods and/or services offered to the University by the firm in its proposal and/or any addenda to its proposal which has been approved in writing by the University and as may be further specified by the University in writing when it selected the firm.

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Y. Future Goods and/or Services

The University reserves the right to have Selected Firm provide additional goods and/or services that may be required by the University during the Term of this Agreement. Any such goods and/or services will be provided under the same terms and conditions of this Agreement. Such additional goods and services may include other products, components, accessories, subsystems or services provided by Selected Firm. These additional goods and services will be provided to the University at Favored Customer pricing.

Z. Favored Customer

Selected Firm represents that the prices, terms, warranties, and benefits specified in its proposal are comparable to or better than the equivalent terms being offered by the firm to any present customer.

AA. Ordering Procedures

The University does not place verbal orders for the Goods and/or Services. The University may only place orders for the Goods and/or Services by issuing a formal written Purchase Order in advance of Selected Firm's provision of the Goods and/or Services. Accordingly, at the University's request, Selected Firm will issue a proposal/quotation listing the Goods and/or Services desired by the University and the corresponding fees and/or fee estimates. After any necessary discussions and/or revisions, the University will issue a corresponding Purchase Order for a specified fee amount. This specified fee amount cannot be exceeded by Selected Firm unless a new formal written Purchase Order or Purchase Order revision is issued by the University authorizing a specific additional fee amount. Under no circumstances does the University authorize Selected Firm to provide the Goods and/or Services before receipt of a formal written Purchase Order corresponding to its proposal/quotation. If Selected Firm provides Goods and/or Services prior to receipt of a formal written Purchase Order, or incurs costs in excess of authorized purchase order fee amounts, it does so at its own risk.

BB. Marketing

The University encourages Selected Firm to appropriately and specifically market itself to applicable end-using University departments that may be interested in Selected Firm's Goods and/or Services. However, Selected Firm will not use non-specific mass marketing formats; such as, but not limited to, spam, emails and junk mail. In the event that Selected Firm engages in non- specific mass marketing formats, the University, in its sole discretion, may choose to terminate this Agreement.

CC. Compliance

Selected Firm will comply with all applicable laws and industry standards in performing services under this Agreement. Any Selected Firm personnel visiting the University's facilities will comply with all applicable University policies regarding access to, use of, and conduct within such facilities.

DD. Intellectual Property Rights/Disclosure

Unless expressly agreed to the contrary in writing, all goods, products, materials, documents reports, writings, video images, photographs or papers of any nature including software or computer images prepared or provided by Selected Firm (or its subcontractors) for the University will not be disclosed to any other person or entity without the written permission of the University. Selected Firm warrants to the University that the University will own all rights, title and interest in any and all intellectual property rights created in the performance or otherwise arising from this Agreement and will have full ownership and beneficial use thereof free and clear of claims of any nature by any third party including without limitation copyright or patent infringement claims. Selected Firm will execute any assignments or other documents needed for the University to perfect such rights. Notwithstanding the foregoing, for research collaboration pursuant to subcontracts under sponsored research agreements administered by the University's Office of Sponsored Programs, intellectual property rights will be governed by

the terms of the grant or contract to the University to the extent such grant or contract requires intellectual property terms to apply to subcontractors.

EE. Data and Intellectual Property Protection

Sensitive, non-public "University Data" is strictly regulated by state or federal law. Such data includes but is not limited to: business, administrative and financial data, intellectual property, and patient, student and personnel data. If Selected Firm will receive, create, or come into non-incidental contact with University Data, Selected Firm agrees to abide by the terms and conditions of the Data Protection Addendum. Further, if Selected Firm will receive, create, or come into non-incidental contact with patient or University health plan participant Protected Health Information as that term is defined in 45 C.F.R. § 160.103, Selected Firm is a Business Associate, and agrees to abide by the terms and conditions of the Business Associate Addendum in addition to the Data Protection Addendum.

FF. Brand Standards

Selected Firm warrants that any Creative Work produced for the University (1) will comply with the University's brand standards and (2) in its end application, will fit the visual look and feel of the overall brand aesthetic, brand concept, color palette, visual effects, photographic and video style standards, and make correct use of all marks including logos and identity components. Selected Firm agrees that the University, in its sole discretion, will determine Selected Firm's compliance with this Provision. Creative Work includes, but is not limited to: websites, applications, electronic communications, newsletters, advertisements, mailings, magazines, and other communication materials (digital and print) produced for the University by the Selected Firm. For additional guidance, Selected Firm should consult the UVA Brand Guidelines at http:brand.virginia.edu or contact University Communications (brandguidelines@virginia.edu).

GG. International Traffic in Arms Regulations (ITAR)

If Selected Firm is providing any items, data or services under this order that are controlled by the Department of State, Directorate of Defense Trade Controls, International Traffic in Arms Regulations (ITAR), it must notify (by sending an email to export-controls@virginia.edu), and receive prior written authorization from, the University's Office of Export Controls before delivery. The notification provided by the supplier shall include the name of the University of Virginia point of contact, identify each ITAR controlled commodity, provide the associated U.S. Munitions List (USML) category number(s), and indicate whether or not the determination was reached as a result of a commodity jurisdiction or self-classification process. Selected Firm agrees that if it fails to notify the University that it is providing ITAR-controlled items, data or services, it shall reimburse the University for any fines, legal costs and other fees imposed by the above-named regulatory agency for any violation of export controls regarding the provided items, data or services.

HH. License Requirements

Certain statutes and regulatory agencies require that some firms be properly registered and licensed, or hold a permit, prior to performing specific types of services. It is Selected Firm's responsibility to comply with the rules and regulations issued by the appropriate regulatory agencies, and possess and maintain the appropriate licenses if applicable for the Goods and/or Services to be provided under this Agreement. A copy of any such applicable license and/or permit must be furnished upon request to the University or VHEPC member institution. For example, if Selected Firm will be providing removal, repair, improvement, renovation or construction-type services they, or a qualified individual employed by the firm, must possess and maintain an appropriate State of Virginia Class A, B, or C Contractor License (as required by applicable regulations and value of services to be performed) for the duration of this Agreement.

II. Governing Law

This Agreement will be governed and construed in all respects by the laws of the Commonwealth of Virginia.

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JJ. Entire Agreement

This is the entire agreement between the University (including University employees and other End Users) and Selected Firm. In the event that Selected Firm enters into terms of use agreements or other agreements or understanding, whether electronic, click-though, verbal or in writing, with University employees or other End Users, such agreements shall be null, void and without effect, and the terms of this Agreement shall apply.

KK. Agreement Signature

This Agreement may be executed in counterparts, each of which will be deemed an original, and both of which taken together will constitute one and the same document. Electronically transmitted signatures will be deemed originals for all purposes relating to the agreement.

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ATTACHMENT B
SPECIFIC CONTRACTUAL PROVISIONS

A. Insurance

Listed below is the insurance the Selected Firm must maintain under as part of an Agreement. In no event should the Selected Firm construe these minimum required limits to be its limit of liability to the University. The Selected Firm will maintain insurance which meets or exceeds the requirements of the University with insurance companies that hold at least an A- financial rating with A.M. Best Company. No Agreement will be executed by the University until the Selected Firm satisfies the insurance requirements of the University. The Selected Firm may be required to provide the University with a valid Certificate of Insurance before providing any goods or services to the University. The University reserves the right to approve any insurance proposed by the Selected Firm.

Comprehensive Commercial General Liability:
The Selected Firm and any Subcontractor will provide a minimum combined single Limit of Liability for bodily injury and property damage of $1,000,000 per occurrence with coverage for the following coverage:

☒	Premises/Operations	☒	Products/Completed Operations
☒	Contractual	☐	Independent Contractors
☒	Personal Injury	☐	Medical Payment
☐	Fire Legal Liability	☐	Underground Explosion & Collapse
☐	Additional Insured*	☐	Other

Automobile Insurance:
The Selected Firm and any Subcontractor will provide a minimum combined single Limit of Liability for bodily injury and property damage of $1,000,000 per occurrence with the following coverages for vehicles operated by their employees.

☐	Any Automobile	☒	Owned and Non-Owned Automobiles
☐	Garage Liability	☐	Transportation of Hazardous Substances
☐	Additional Insured*	☐	Other

Errors & Omissions:
The Selected Firm and any Subcontractor will maintain Errors and Omissions liability insurance of at least $1,000,000 per claim, providing liability coverage for the services to be provided.

*Additional Insured:
The University will be named as an Additional Insured, and the proper name is: "The Commonwealth of Virginia, and the Rector and Visitors of the University of Virginia, its officers, employees, and agents."

B. Payment Terms

The University's standard payment term is **Net 45** unless the firm prefers one of the following early payment cash discount options. All payments will be made by check:

- .5% 30 / Net 45
- 1% 25 / Net 45
- 1.5% 20 / Net 30
- 2% 15 / Net 30

The University will compute the payment date from the date of delivery of goods at destination, after final inspection and acceptance, from the date of completion of services, or from the date the correct invoice is received in the Accounts Payable Division, whichever is later. The University will take the cash discount if payment is made within the specified time frame.

In addition, the Selected Firm may at any time during the term of this Agreement switch their payment method to either Ghost Card (ePayables) or ACH (Paymode –X). The Selected Firm must contact the University's banking service provider, Bank of America, or its partner Paymode-X, to setup one of these payment options. Contact Information: *ePayables*: 855-637-8396 or

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email at virginia@supplier-services.com. *Paymode-X*: 800-331-0974 or www.paymode.com/universityofvirginia

NOTE: Each VHEPC Member may setup their own payment terms with the Selected Firms.

C. UVA Marketplace / Electronic Procurement

If requested by the University, Selected Firm agrees to provide and maintain an electronic catalog in the University's Electronic Marketplace (the "Marketplace"). Catalogs can be hosted in the Marketplace or a punchout from the Marketplace to Selected Firm's website. The University requires the following from its catalog suppliers.

Hosted Catalog Firms will:

- Periodically update items, descriptions and pricing. Not to exceed four times per year.
- Use Jaggaer functionality to identify product classifications such as hazardous materials, radioactive, controlled substances, etc.
- Address pricing discrepancies within one business day.
- Invoice all items at catalog prices until a new price file is submitted and approved by the University.
- Not increase prices more than once per year and will allow 30 days to review any price changes prior to changing invoiced prices.

Punchout Catalog Firms will:

- Notify the University's Contract Administrator of pricing and product changes prior to making a change.
- Clearly notate shipping terms, return policy and cancellation policy in the punchout catalog.
- Provide training or help details in the punchout catalog.
- Allow customization of the punchout catalog with the University's marks, logos and/or necessary language.
- Agree that to the extent the terms and conditions of this Agreement are in conflict with those in the punchout catalog, this Agreement will take precedence.
- Provide an error message as connectivity interruptions arise.
- Have a privacy policy that complies or is similar to the Platform for Privacy Preferences Project (P3P) standards.

Selected Firm will:

- Ensure that the Catalog data is maintained, updated and accurate.
- Invoice at catalog prices or lower and accept payment of catalog price if there is a discrepancy.
- Negotiate freight terms for Marketplace purchases.
- Agree that all catalog content and the format in which catalog content is presented will be of a mutually acceptable nature.
- Agree to develop and maintain a delivery performance standard and provide annual reports on such performance.
- Disclose to the University all non-University revenue that is generated with the catalog such as, but not limited to: advertising fees, search functionality prioritization fees, rebates of any kind, etc.
- Register in eVA and maintain its registered status for the term of this Agreement. Additionally, maintain the necessary number of eVA sites for orders to be placed from the Marketplace.
- If necessary will maintain and update accurate Ship to addresses in its system.
- Provide reports as required by the University update and maintain its catalog in the system. Such reports may include sales by item, price and quantity sold per time, percentage increase in sales, average lead time, percentage of on-time deliveries and delivery errors.
- Support a manual process for change orders.
- Encourage University user to utilize the UVa Marketplace for placing orders.

The University reserves the right to remove Selected Firm's catalog from its Marketplace, renegotiate discounts and/or fees and payment of site license fees at anytime during the term of this Agreement.

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NOTE: Several VHEPC Members maintain / use an on-line ordering system operated by an e-procurement / e-commerce supplier (e.g., Jaggaer, eVA, Ariba). If requested by the VHEPC Member, Selected Firm will establish catalogs in one / all of these systems.

D. Energy Star Products

To the maximum extent practicable in providing the Goods and/or Services under the Agreement, Supplier shall provide products that earn the Energy Star rating and meet the Energy Star specifications for energy efficiency. Supplier is encouraged to visit energystar.gov for complete product specifications and updated lists of qualifying products.

E. Virginia's Freedom of Information Act (FOIA)

This Agreement is governed by and subject to the Commonwealth of Virginia's Freedom of Information Act (FOIA). All pricing information, consistent with the public interest and the underlying policy of the Commonwealth of Virginia, is open to the inspection of any qualified requestor and cannot be designated as confidential, proprietary or trade secret to avoid disclosure. Pricing information is also shared on a need-to-know basis both within the University and its affiliates and consultants for purposes of operational review, transaction management, contract compliance & monitoring, benchmarking and performance improvement. Attempts to prevent disclosure of pricing information by designating it as confidential, proprietary or trade secret will be ignored. In addition, any non-price information considered by a firm to be proprietary or to constitute trade secret(s) is also subject to disclosure under FOIA, except that information provided by Selected Firm that constitutes proprietary information or trade secret(s), other than pricing information, may be exempted from disclosure if Selected Firm invokes the protections of Virginia Code Section 2.2-4342(F) in writing and follows its stated requirements prior to or upon submission of the information for which Selected Firm is seeking protection.

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ATTACHMENT C
GOODS & SERVICES / PRICING-FEES-DISCOUNTS

[See Standalone Excel Document]

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ATTACHMENT D
Statement of Work Template

This Statement Of Work ("SOW") is prepared for _____ *(i.e., University department/school/etc.)* and is entered into pursuant to the Agreement by and between Select Firm and the Rector and Visitors of the University of Virginia (Agreement#: XXXXXXXXX) of which the terms and conditions are incorporated as part of this SOW.

This SOW defines and specifies the Services to be performed and/or Work Product to be delivered by Selected Firm, as well as compensation to be paid for such Services and Work Product by the University, all in accordance with the terms and conditions of the Agreement.

1. Description of Services to be Provided

2. Assumptions

3. Fees

Note: A prepayment/down payment is not authorized. Payments may, however, be tied to project milestones associated with a statement of work.

SELECTED FIRM

By: _____

Date: _____

SOW #: _____ (you may request this number be included on the PO)

City of Rockville

INet Switching

Design / Implementation SOW

Statement of Work

Date: July 23rd 2025

DSI Engineer:
Satish Rayanki

Client:
City of Rockville

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1) Document Control

Preparation

Action	Name	Role / Function	Date
Prepared by	Satish Rayanki	Senior Network Engineer	07/23/2025

Release

Version	Date Released	Change Notice	Pages Affected	Remarks
1.0	11-8-2023	Initial Release	All	None

Distribution List

Name	Organization	Title
	City of Rockville	

Approvals

Name	Title	Date	Version	Organization
[Name]	[Job Title]	[mm/dd/yyyy]	[Version #]	[Organization]

2) Introduction

This Statement of Work ("**SOW**") is entered into on 11/8/2024 (the "Effective Date") by and between Disys Solutions, Inc. ("**DSI**"), a Virginia corporation, located at 44670 Cape Court, Suite 100, Ashburn, Virginia 20147 and City of Rockville ("**Client**"), located at 111 Maryland Ave, Rockville, MD 20850. System and product names described in this document are not always accompanied by their trademark symbols (™, ®). All other trademarks are the property of their respective owners.

3) Proprietary and Confidential

This Statement of Work (SOW) includes data that shall not be disclosed outside of [Client] and shall not be duplicated, used, or disclosed - in whole or in part - for any purpose other than to evaluate this proposal or quotation. If, however, a contract is awarded to DISYS Solutions Inc. (DSI) as a result of, or in connection with, the submission of this data, the client shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Client's right to use information contained in this data if it is obtained from another source without restriction.

4) Definitions

- **Deliverable:** For the purposes of this SOW, the term 'deliverable' refers to one specific work product that is the outcome of the engagement. Collectively, deliverables are the product for which the price of this SOW is exchanged. Services or activities (work) will be performed as a part of this SOW in order to produce the deliverables (work product).
- **Documentation:** The terms 'document' and 'documentation' as they relate to this SOW are intended to mean any notes, charts, graphs, diagrams, report outputs, network addresses, passwords, configuration logs, or any other discretionary information deemed by DSI to be relevant to this effort. Documentation is not intended to be, or considered to be, complete, comprehensive, or exhaustive as it relates to the overall Client network or information systems environment. Any documentation provided as a part of the execution of this SOW will be limited to systems, items, or topics specifically referenced in this SOW.
- **Knowledge Transfer:** The term 'knowledge transfer', as it relates to this SOW, is intended to mean conversational discussions about various technical aspects of this effort. Knowledge transfer is not intended to be, expected to be, or considered to be complete, comprehensive, or exhaustive as it relates to the overall Client network or information systems environment. Additionally, knowledge transfer is not intended to replace the need for formal instruction or vendor-supplied training in the operation of any systems installed or configured as part of this SOW.
- **Training:** Unless otherwise specifically stated in this SOW, DSI supplied training is not intended to convey any formal certification or credential and is provided on a 'best effort' basis as a courtesy to the Client.
- **Best Effort:** The term 'best effort' as it relates to this SOW is intended to mean services provided by DSI to the Client with no express warrantee or guarantee implied. A particular outcome of best effort service is not guaranteed, but every effort will be made to ensure the best result possible within the time allowed and with the resources available.
- **IN SCOPE:** The work described in the Activities section of this document, and effort toward the fulfillment and delivery of items described in the Deliverables section of this document are considered to be 'IN SCOPE' as they relate to this effort. The contents of the Assumptions sections of this document provide specific clarification of the scope.
- **OUT OF SCOPE:** Any items, components, materials, efforts, objectives, tasks, or services not described in either the Activities or Deliverables section of this document are considered 'OUT OF SCOPE' as they relate to this effort. OUT OF SCOPE work will not be performed without written authorization by the Client via the project change control process described herein.
- **Testing, Validation, Verification:** The terms 'testing', 'validation' and 'verification' refer to the process of comparing measurements and observations of specific information systems to Client provided expectations or criteria. The Client is responsible to confirm that tests, validation, or verification is successful.

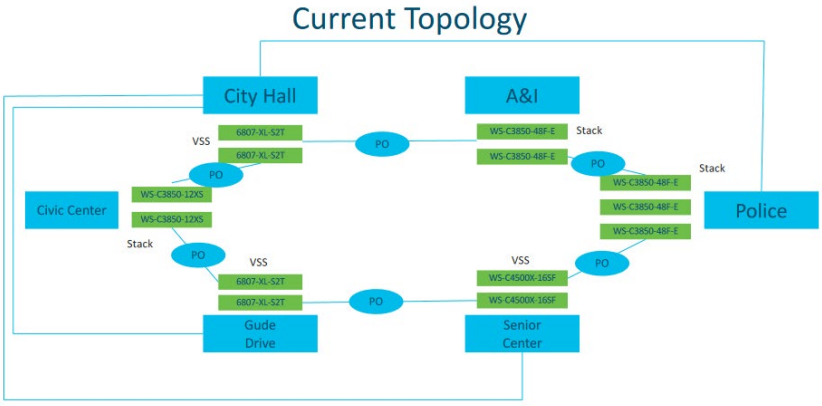
- **Client:** means entity who is authorized to receive or use the service or solution described in this SOW.
- **Normal Business Hours:** are Monday-Friday, 8:00am to 5:00pm local time excluding state, local and national holidays.
- **Milestone:** A specific goal, objective, or event pertaining to services described under the terms of this SOW.
- **Site Survey:** An assessment by partner of the readiness of the client site for the implementation of the product as further defined below.
- **Staging:** The assembly and software loading of product prior to Installation at client site.

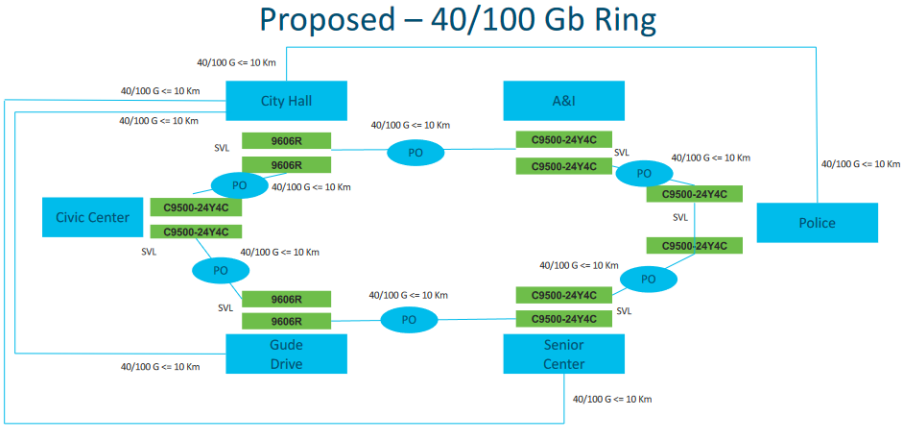
5) Scope

The purpose of this project is to enhance the current network infrastructure by addressing end-of-support equipment, increasing bandwidth capabilities, and optimizing the network design to support future scalability and performance. Specifically, this initiative aims to:

1. **Replace Last Day of Support (LDoS) Equipment**:
    - Propose new, high-performance Cisco Catalyst 9610 and 9500 series switches to replace existing LDoS equipment in the network.
    - Ensure that all equipment is up-to-date and supported by the manufacturer to maintain reliable operations, facilitate ongoing maintenance, and support advanced features in line with modern network requirements.
2. **Upgrade Bandwidth Between Locations**:
    - Enhance inter-site connectivity by upgrading the bandwidth from 10 Gbps to 40 Gbps or 100 Gbps, depending on specific site requirements and projected data demands.
    - Improve overall network performance to support data-intensive applications, minimize latency, and provide greater capacity for future network expansions.
3. **Optimize Network Design by Separating End Devices from Core/Distribution Equipment**:
    - Redesign the network topology to prevent end-user devices from connecting directly into Core/Distribution equipment, thereby reducing congestion, simplifying troubleshooting, and strengthening network security.
    - Implement a dedicated Access layer for end-user connections, isolating critical Core/Distribution functions and enhancing network segmentation and resilience.

By accomplishing these goals, this project will create a modern, scalable network infrastructure capable of handling increased data flows and supporting current and future organizational needs. A list of network devices that will be worked upon, updated, and/or upgraded are included in *"Inventory county by location.xlsx*" document.





Note: The Model as been changed and will be using the devices in the latest BOM, C9606 to C9610

1. Preparation and Planning for Each Site

- **Site Survey**: Conduct a detailed site survey to understand the current network layout, rack space, power, cabling, and other environmental factors.
- **Pre-Installation Checklist**:
  - Review the current network topology and gather details on existing switch configurations.
  - Prepare equipment lists for Catalyst 9610 and 9500, along with necessary cabling, transceivers, and accessories.
  - Verify VLAN, IP addressing, and other network design requirements.
- **Migration Plan**:
  - Develop a migration plan for each site, detailing cutover steps, expected downtime, and rollback procedures.
  - Define a schedule with stakeholders to minimize operational impact.

2. Hardware Installation: Rack and Stack

- **Physical Installation**:
  - Position Catalyst 9610 and 9500 switches in designated racks, ensuring proper airflow and clearance.
  - Secure switches using rack-mount kits and cable management accessories as needed.
  - Power up the switches, checking power redundancy if applicable.
- **Cabling**:
  - Connect power cables to redundant power sources if available.
  - Connect network cables (fiber or copper) as per the topology, ensuring proper connectivity to existing infrastructure.

3. Software Configuration

- **VSS Configuration (if applicable)**:
  - Configure Virtual Switching System (VSS) between the Catalyst switches to enable redundancy and high availability.
  - Configure Virtual Port Channels (VPC) or Link Aggregation for trunk and uplink connections.
- **Initial Setup**:
  - Set up device management IPs, hostname, and login credentials.
  - Configure base settings such as SNMP, logging, NTP, and AAA.
  - Install the latest IOS-XE version as required and verify feature compatibility.
- **Layer 2 and Layer 3 Configuration**:
  - Configure VLANs, IP routing, DHCP settings, and other necessary features per the design.
  - Set up routing protocols replace EIGRP with BGP as applicable, ensuring correct neighbor relationships and path selection.
  - Netflow configuration

4. Migration Steps

- **Pre-Migration Testing**:
  - Confirm connectivity to Catalyst switches from management devices and verify baseline metrics.
- **Traffic Migration**:
  - For each site, migrate connections from old switches to Catalyst 9610 and 9500 in a phased manner.
  - Validate L2/L3 configurations on the Catalyst switches align with previous switch configurations.
  - Carefully monitor traffic and connectivity for critical applications during the migration.
- **Decommissioning Old Switches**:
  - Once migration is complete, decommission old switches as per company policy or re-purpose them as necessary.
  - Remove physical connections and update documentation to reflect the new topology.

5. Testing and Validation

- **Post-Migration Connectivity Testing**:
  - Perform end-to-end connectivity tests to confirm that all services and applications function as expected.
  - Verify VSS failover functionality and redundancy to ensure high availability.

- Test key network services (DNS, DHCP, Internet, and internal applications) for proper connectivity and performance.

- **Performance Verification**:
  - Monitor switch performance (CPU, memory, interface utilization) to confirm stable operation.
  - Conduct a network load test, if feasible, to validate performance under typical load conditions.

6. Documentation and Knowledge Transfer

- **Documentation**:
  - Update network diagrams, IP address maps, and device inventories to reflect the new setup.
  - Record all configurations and make them accessible to the network operations team.
- **Knowledge Transfer**:
  - Provide an overview of the new setup, explaining key changes and features.
  - Train relevant team members on how to manage and troubleshoot the Catalyst switches.

7. Day 2 Support

- **Monitoring**:
  - Set up network monitoring tools to continuously monitor switch health, performance, and critical alerts.
  - Implement automated notifications for potential issues (CPU spikes, link failures, etc.).
- **Support and Optimization**:
  - Offer remote or on-site support for any initial post-installation issues.
  - Perform routine checks during the first week to ensure stable operation.
  - Fine-tune configurations as needed based on performance data and user feedback.

Security – Firewalls, FMC, ISE, FTD

Scope

- Migrate VLANs to VRFs/firewall zones
- Reconfigure multi-instance Firepower deployments
- Consolidate FMC policies
- Upgrade FMC, FTD, and ISE to the latest which we are working on implementation.

- Migrate the Firepower Management Center (FMC) from the Senior Center to Equinix.
- Upgrade Cisco ISE to the latest supported version and best practices IE: install/update endpoint authentication certificates to ensure compatibility and secure onboarding of end devices and AAA and Dot1X
- Upgrade all Firepower Threat Defense (FTD) appliances and FMC to the latest Cisco-recommended version at the time of implementation.

Deliverables

- Hardened FMC policies across all sites
- Multi-instance Firepower setup for Police and Equinix
- ISE patching and DAC implementation
- Gold image upgrades for FMC/FTD

Multi-Instance Firepower Deployment

Scope

- Design and implement multi-instance architecture for FPR 4215/4125 Deliverables
- Instance provisioning and resource allocation
- Routing and segmentation per instance
- HA validation and failover testing

Note: All changes and upgrades will be assessed in alignment with Cisco security advisories and published vulnerability bulletins. No major architectural redesigns are anticipated. The scope of work will primarily focus on repurposing the existing external firewalls for a multi-instance deployment—creating one instance to secure internal traffic and another for external perimeter control. Existing firewall policies will be retained and supplemented with additional rules to enhance the overall security posture.

Switching (Cisco Devices)– VLAN, OSPF, Failover, Segmentation

EIGRP to OSPF

Pre-Migration Checklist

- Identify all routers running EIGRP per Each Site
- Document current EIGRP neighbors and route tables
- Confirm OSPF design (areas, router roles, DR/BDR logic)

- Plan redistribution if needed (during transition)

Migration Steps

1. **Deploy OSPF in Parallel**
    - Configure OSPF on all routers without removing EIGRP
    - Use higher AD for OSPF (default 110) to avoid route takeover
2. **Verify OSPF Adjacencies**
    - Use show ip ospf neighbor and show ip ospf database
    - Confirm DR/BDR elections on multi-access segments
3. **Redistribute EIGRP into OSPF**
4. **Redistribute OSPF into EIGRP**
5. **Switch Routing Preference**
    - Lower OSPF AD or remove EIGRP
    - Monitor route tables (show ip route)
6. **Clean-Up**

- Remove EIGRP configs
- Validate OSPF convergence and failover

Configuration or Verification:

Access Control

- Disable unused ports (shutdown)
- Enable **port security** with MAC limits
- Use **AAA with TACACS+/RADIUS**
- Restrict VTY access with ACLs:

Management Plane

- Enable SSH, disable Telnet
- Use secure SNMPv3
- Configure logging:

logging buffered 4096 logging host

🔧 Control Plane

- Enable **BPDU Guard**, **Root Guard**, **Loop Guard**
- Disable CDP/LLDP if not needed
- Use **storm control** on access ports

- DOT1x configuration verification

- **Dynamic ARP Inspection (DAI) and IP Source Guard and DHCP Snooping, CoP, OSPF deployment and all other configurations will be set up as per Cisco Best practice.**

Design and implement a guest network that is segmented from the main network and isolates guest devices from each other, providing only internet access.
Design and implement a dedicated imaging segmented network that is segmented and isolated from the main production network, intended solely for imaging devices and related infrastructure.
Design and implement new IoT network that is segmented both from the main network and internally among its own devices.
Migrate VLANs from the core switch to the designated data center switches to align with the updated network architecture.
Design and implement new IoT network that is segmented both from the main network and internally among its own devices.
Migrate VLANs from the core switch to the designated data center switches to align with the updated network architecture

Note: All changes and upgrades will be assessed in alignment with Cisco guidelines and advisories and published vulnerability bulletins. No major architectural redesigns are anticipated. The scope of work will primarily focus migrating to OSPF and Layer 2 hardening with industry standard configuration with security in mind.

Active Directory – AD Connect, LAPS, O365

AD Connect – Hybrid Identity Synchronization

Scope

- Synchronize on-premises AD with Microsoft Entra ID (Azure AD)
- Enable password hash sync or pass-through authentication
- Support hybrid join for Windows devices

Implementation Tasks

- Install **Microsoft Entra Connect** on a dedicated server
- Configure sync rules, OU filtering, and attribute mapping
- Enable **password hash sync** or **pass-through authentication**
- Validate sync health via Synchronization Service Manager
- Enable **password write-back** (requires Entra ID P1 or M365 Business Premium)

Microsoft LAPS – Local Admin Password Management

Scope

- Automatically rotate and store local admin passwords for domain-joined devices
- Store passwords securely in AD or Microsoft Entra ID
- Support Windows LAPS (native) or legacy LAPS (via MSI)

Implementation Tasks

- Extend AD schema with ms-Mcs-AdmPwd and ms-Mcs-AdmPwdExpirationTime
- Set permissions for computer objects to update their own attributes
- Assign read access to authorized admin groups
- Deploy LAPS client via GPO or endpoint management
- Configure GPO:
- Enable password management
- Set password complexity and expiration

Define managed admin account name

DUO Self Service Portal

Duo Self-Service Portal Offers

- **Device Management**: Users can add, rename, or remove authentication devices (phones, security keys, etc.).
- **Password Reset**: If a user's AD password is expired, Duo SSO prompts them to reset it after completing MFA.
- **Inline Enrollment**: New devices can be added during login via the Universal Prompt.

Cisco Catalyst Center, Nexus Dashboard, UCSX

Deploy and configure Cisco DNA Center Assurance to enable:

- Real-time and historical visibility into network, client, and application health and DR step up
- Telemetry-based troubleshooting and analytics
- Integration with Cisco ISE

Implementation Tasks

A. Platform Readiness

- Rack Stack and Initialize the two Cisco Catalyst Center at each Data Center
- Apply latest software patch (e.g., 2.3.7.x or newer)
- Configure DNS, NTP, SNMP, Syslog, and AAA settings
- Import trusted certificates for secure telemetry

B. Network Hierarchy & Device Discovery

- Create site hierarchy (areas, buildings, floors)
- Assign devices to sites for location-based insights
- Discover and onboard switches, routers and all supported devices

C. Assurance Configuration

- Enable Assurance services and telemetry collection
- Configure SNMP, NetFlow, and streaming telemetry

D. Integration (Optional)

- Integrate Cisco ISE for identity-based insights
- Configure pxGrid and API access for external tools

E. Validation & Testing

- Verify Assurance dashboards: Network Health, Client Health, Application Health, Device backup and system backup
- Run path trace and issue detection workflows
- Document baseline performance and visibility metrics

Deliverables

- DNAC Assurance configured and operational
- Devices assigned to sites with telemetry enabled
- Integration with ISE
- Admin guide for Day 2 operations and troubleshooting and Topology

- Set up and configure templates Cisco DNA Center. All supported Cisco devices should be integrated into these platforms for consistent policy enforcement, automation, and streamlined management.

NDFC (Network Services for Data Center)

Deploy Cisco NDFC as a microservices-based application on a physical Nexus Dashboard cluster to manage:

- LAN fabrics (VXLAN EVPN, Classic Ethernet)
- SAN fabrics (Cisco MDS)
- IP Fabric for Media (IPFM)
- Optional integration with Nexus Dashboard Insights and Orchestrator

Implementation Tasks

A. Hardware Preparation

- Rack and cable **ND-NODE-L4** appliances
- Configure CIMC and BIOS settings per Cisco guidelines

- Assign IPs for:
    - **Management interface (bond1br)**
    - **Data interface (bond0br)**
- Validate Layer 2/3 adjacency and RTT requirements (≤50ms between nodes)

B. Nexus Dashboard Cluster Formation

- Bootstrap 3-node cluster in **Active-Active HA mode**
- Apply latest ND software (e.g., ND 3.2+)
- Validate cluster health and microservices orchestration

C. NDFC Application Deployment

- Install NDFC 12.1.x or newer via Cisco App Store
- Select appropriate **persona**:
    - Fabric Controller (LAN)
    - SAN Controller (with or without SAN Insights)
    - IPFM Controller
- Configure service IPs and routing tables
- Validate pod health and service reachability

D. Fabric Onboarding

- Discover and onboard Nexus/MDS switches via OOB or IB management
- Define fabric topology, roles, and policies
- Configure POAP, EPLD/SMU upgrades, and telemetry

E. Integration & Automation

- Integrate with Nexus Dashboard Insights (NDI)
- Configure SNMP, Syslog, and NetFlow forwarding
- Set up and configure templates in Cisco Nexus Dashboard. All supported Cisco devices should be integrated into these platforms for consistent policy enforcement, automation, and streamlined management.

F. Validation & Testing

- Verify fabric health, device reachability, and policy enforcement
- Run config drift detection and baseline sync

- Document fabric topology and operational workflows

Security & Compliance

- Import trusted certificates for HTTPS and telemetry
- Harden appliance per Cisco ND/NDFC security guidelines
- Configure RBAC and audit logging (if needed)

Documentation & Handoff

- Architecture diagrams and IP schema
- Fabric onboarding guide
- Day 2 operations and troubleshooting playbook

CISCO UCSX

- Upgrade Cisco UCSX environment to the latest gold version to ensure compatibility, performance, and security at each Site.

Unified Communications – CUCM Hardening & Upgrade

Scope

- **Secure all Unified Communications servers (see attached inventory list) behind firewalls**
- **Apply VMware and Unified Communications security best practices**
- **Upgrade all Unified Communications servers (see attached inventory list) to the latest gold image version (version 15 as of this writing)**

Deliverables

- **Unified Communications firewall rules and segmentation**
- **VMware hardening checklist applied**
- **Unified Communications servers upgraded and validated**

PMO & Oversight

Please see section **7 (Project Management).**

6) Milestones

#	Milestone Task
1	Project Launch Workshop
2	Planning/Discovery/Design
3	Implementation Phase
4	Day 2 Support

7) Project Management

A dedicated DSI Project Manager (PM) will be assigned to oversee all aspects of this engagement. The PM will be responsible for scheduling, coordination, and support of DSI personnel assigned to the project, and will serve as the primary point of contact for all Client communications throughout the duration of the engagement.
The DSI Project Manager will provide structured reporting on a monthly basis. These reports will include:

- Hours consumed by each engineer
- Tasks completed, categorized by technology area
- Comparison of planned versus actual hours at the technology level
- Assessment of project progress, including trend analysis to determine if the project is on track, ahead, or at risk

This level of transparency will enable the Client and DSI to jointly monitor progress, manage scope, and make informed decisions as needed. Hours for this engagement are considered flexible. With appropriate coordination and approval, the customer **(CoR) may reallocate unused or remaining hours across technology areas or phases of the project based on evolving priorities.**
The project may include the following phases and activities, subject to project scope, complexity, and duration:

1. **Project Kickoff Meeting / Workshop**
    - Introductions of key stakeholders and team members
    - Overview of project objectives, scope, and deliverables
    - Review of initial project schedule and milestones
    - Documentation of action items and follow-ups
2. **Initial Project Planning**
    - Definition of escalation paths and communication protocols
    - Identification of preliminary schedule and task sequencing
    - Establishment of an estimated project completion date
3. **Ongoing Project Status Meetings** (for engagements exceeding two weeks)
    - Review of project status and key milestones
    - Discussion of issues, risks, and mitigation plans
    - Tracking of open items and follow-up actions
    - Identification of any scope or schedule deviations that may require a formal Change Order
4. **Project Closeout**
    - Final review of deliverables and milestones
    - Documentation and resolution of any outstanding issues

- Agreement on project completion and acceptance criteria

DSI is committed to ensuring successful project delivery through proactive management, clear communication, and accountability.

8) Deliverables

Some or all of the listed documentation may be included as part of the delivered services.

a. Services identified in Section (5) Scope of Work
b. Review of findings and recommendations

9) Client Responsibilities

In the delivery of the service, the Client responsibilities will be to provide where applicable:

a. Any supporting documentation such as building drawings/schematics/blueprints of Client site(s), network diagrams, configurations in electronic format;
b. Remote Access to network(s) if necessary
c. Any necessary escort personnel for DSI staff;
d. Any necessary access, passwords, and visibility to all network devices configuration and security information
e. Approval for digital photography
f. On-site access to all required areas and rooms, including secure and sensitive areas as necessary to perform the assessment
g. Access to ladders, lifts and other available equipment, when required, for wireless network assessments
h. Designation of individuals as primary Project and engineering contacts
i. Access to key knowledge personnel
j. Downtime window for upgrade
k. Provide rackspace, power for new devices
l. Provide VPN access and login to datacenter switches.

10) DSI's Responsibilities

In the delivery of the service, DSI's responsibilities will be to provide:

a. Trained and certified personnel to perform the activities identified in the Scope of Work Section of this document.
b. Provide any necessary tool(s) and related technologies essential to perform activities identified in the Scope of Work Section of this document.
c. Maintain client confidentiality and information security

11) Assumptions

Below is a list of assumptions related to the execution of the activities for this Statement of Work. Some assumptions may vary depending on whether the activities are remote or on site.

a. Access to Client systems as required as part of the scope of work
b. Client Site(s) is accessible during project hours and there are no restrictions present to entering an area necessary for the Assessment
c. DSI will be provided with necessary Client escort personnel to gain access to any necessary locations that may otherwise be inaccessible for security reasons
d. Client will respond in a timely manner to requests for access to Client site(s), device login, configuration and security information. Any delays may cause delays in the agreed to timeline
e. Work will begin on an agreed schedule between the client, DSI PMO and DSI Sales.
f. Any changes to the design and equipment presented to the Client within this proposal and BOM will require a change order to the scope of work

g. All Client systems that will interface with the solution provided as part of these services will have manufacturer support in place. Additional charges may result if DSI is required to trouble shoot unsupported systems.
h. UCS B series is under valid SmartNet contract for contacting TAC as required.

12) Out of Scope

Any services that are not specifically detailed herein are excluded from the Services to be provided under this SOW.

13) Project Completion

This project will be considered complete when expected deliverables have been received by Client, as acknowledged and agreed to by the parties through a Project Completion form, in accordance with the procedures set forth in this paragraph. At the completion of the project, DSI will provide the Client with a Project Completion form. The Client will have 7 calendar days from the date of receipt of the Project Completion form either (i) to accept it by signing and returning it to DSI, or (ii) to articulate its objections in writing to DSI. If the Client does not timely provide DSI with written acceptance or objection(s) within the Seven (7) calendar day period, the Client will be deemed to have ACCEPTED the project and all associated deliverables without any further action by either party.

14) Pricing

Below is included in a separate quote.

15) Billing

Client will be invoiced monthly for services to date. If the project is completed prior to the end of the month, the final invoice will be submitted as soon as the project effort is complete. If billing milestones are established as part of the project, it will supersede monthly invoicing.

16) Change Order to Statement of Work

Requests by Client, which are outside the scope of this SOW are subject to a change order using the form in Appendix C.

17) SOW Acceptance

As a duly authorized representative, I hereby acknowledge, accept and authorize this statement of work.

Client

(SIGNED)	***(DATE)***
(PRINT NAME)	***(TITLE)***

This SOW will not be considered valid for execution unless signed by autorized agent of Client.

Appendix A

PROJECT COMPLETION CERTIFICATE

When the project is complete, DSI will request final acceptance of all services and deliverables from Client via the following project completion form:

PROJECT COMPLETION FORM
This document serves to confirm that the project has been completed and all of its deliverables have been met per the Statement of Work.

1. Project Name:
2. Client:
   - Client
   - Client Contact
   - Title
   - Address1
   - Address2
   - City, State, Zip
   - Phone number
   - Email Address

3. Project Number: DSI Internal Use	4. Phase(s) to be Billed: Specific phase(s) billed

Summary of Deliverables:

☐ First Deliverable
☐ Second Deliverable
☐ Third Deliverable
☐ Additional Deliverables…
Note: Please provide total project hours

5. Acceptance

PROJECT COMPLETION DELARATION:

The Client project team has received and reviewed all expected deliverables of the project, accepts all the services provided, and considers the terms of the SOW fulfilled. Client authorizes DSI to invoice any outstanding balance for services rendered.

Signature: SAMPLE – DO NOT SIGN

Title: SAMPLE – DO NOT SIGN

Date: SAMPLE – DO NOT SIGN

Appendix B

Satisfaction Survey

To ensure we are providing service excellence please take a moment to fill out the survey below and return it to the DSI Project Manager assigned to the project.

Overall, I am very satisfied with the way DSI performed this project.
☐ Strongly agree ☐ Agree ☐ Neutral Disagree ☐ Strongly Disagree

Overall, I am very satisfied with the scheduling of this project.
☐ Strongly agree ☐ Agree ☐ Neutral Disagree ☐ Strongly Disagree

Overall, I am very satisfied with the level of communication during this project.
☐ Strongly agree ☐ Agree ☐ Neutral Disagree ☐ Strongly Disagree

Overall, I am very satisfied with the Project Management on this project.
☐ Strongly agree ☐ Agree ☐ Neutral Disagree ☐ Strongly Disagree

Overall, I am very satisfied with the Engineering effort on this project.
☐ Strongly agree ☐ Agree ☐ Neutral Disagree ☐ Strongly Disagree

Overall, I am satisfied with the DSI account manager.
☐ Strongly agree ☐ Agree ☐ Neutral Disagree ☐ Strongly Disagree

Compared to how you felt about DSI before this project, what is the likelihood of completing another project with DSI?
☐ Better, based on Performance ☐ About the same ☐ Worse, based on performance

Based on your experience, how likely would you be to recommend DSI?
☐ Definitely will ☐ Probably will ☐ About the same ☐ Probably will not ☐ Definitely will not

Additional comments:

Appendix C

PROJECT CHANGE ORDER

Throughout the project it may be necessary to amend this scope of work or request approval for additional project related costs. Such requests will be submitted to Client via the following project change order.

PROJECT CHANGE ORDER

1. Project Information

1. **Project Name:**
2. **Account Manager:**
3. **Project Manager:**
4. **Client Sponsor:**
5. ***Governing SOW:*** This change request shall serve as an extension of service SOW 'Statement of Work for Storage Assessment executed between DSI and Client on [DATE].

2. Change Request

2.1. Change Description

Details of changes requested

2.2. Change Description:

2.3. Change Justification:

2.4. Change Impact

2.4.1. Effective Date:

2.4.2. Estimated Duration:

2.4.3. Estimated Cost:

3. Acceptance

Client ACCEPTANCE OF PROPOSED CHANGE:

The Client project team has reviewed and accepts the proposed change to the project scope and modification of the terms of the governing SOW.

Signature:	SAMPLE – DO NOT SIGN
Title:	SAMPLE – DO NOT SIGN
Date:	SAMPLE – DO NOT SIGN

Appendix D

Additional Supporting Information

DSI Complete IT Solutions & Services
DISYS Solutions Inc. DSITECH.COM

DISYS Solutions Inc					**Company:**	**City of Rockville**					
44670 Cape Court, Suite 100					**Contact:**	**Nicolas Obodo**					
Ashburn, VA 20147					**Quote:**	**CISCO17388E**					
Phone: 888-286-3896					**Date :**	**7/22/2025**					
http://www.dsitech.com					**Contract:**	**UVA-AGR-IT-00183-DISYS**					
		INET 7 Years									

Line Number	Item Name	Description	Service Duration	Lead Time	Quantity	ListPrice	Extended ListPrice	Unit Price	Extended Price	Service Type	Part Category
AI											
2.0	**C9500X-60L4D-A**	Catalyst 9500 60x10/25/50G + 4x400G, Advantage	N/A	25 days	2	$67,571.18	$135,142.36	$21,622.78	$43,245.56		PRODUCT
2.0.1	CON-L14HR-C954SXU5	CX LEVEL 1 24X7X4 Catalyst 9500 60x25/50G + 4x400G, Advant	84 month(s)	N/A	2	$61,810.00	$123,620.00	$26,578.30	$53,156.60	PRIMARYSERVICE	SERVICE
2.1	C9500X-DNA-60L4D-A	C9500X DNA Advantage, Term License	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.1.0.1	C955KX9D	CX LEVEL 1 SW SUB C9500X DNA Advantage, Term License	84 month(s)	N/A	2	$4,984.00	$9,968.00	$2,143.12	$4,286.24	PRIMARYSERVICE	SERVICE
2.1.1	C9500X-DNA-A-7Y	DNA Advantage 7 Year License	84 month(s)	N/A	2	$33,404.67	$66,809.34	$15,032.10	$30,064.20		SUBSCRIPTION
2.2	C9K-PWR-1500WAC	1500W AC Power Supply	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.3	C9K-PWR-1500WAC/2	1500W AC Power Supply	N/A	25 days	2	$3,537.60	$7,075.20	$1,167.41	$2,334.82		PRODUCT
2.4	PWR-CAB-AC-USA	Power Cord for AC V2 Power Module (USA)	N/A	42 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.5	C9500X-NW-A	C9500X Network Stack, Advantage	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.6	S9500UK9-1712	Cisco Catalyst 9500 XE 17.12 UNIVERSAL	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.7	C9K-F3-SSD-240GB	Catalyst 9500X Series 240GB SSD Storage	N/A	25 days	2	$3,226.05	$6,452.10	$1,064.60	$2,129.20		PRODUCT
2.8	C9500X-FAN-1U-R	Catalyst 9500X front to back (port-side intake) cooling Fan	N/A	25 days	12	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.9	C9K-OPTICS-TOOL	Optics extraction tool for C9000 Switches	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.10	C9500X-RFID	RFID Selected	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.11	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.0	**C9350-48HX**	Cisco C9350 48-port 10G-mGig with 90W UPOE+	N/A	98 days	1	$18,542.25	$18,542.25	$6,118.94	$6,118.94		PRODUCT
3.0.1	CON-RO4-C935048H	RMA UPGRADE 24X7X4 Cisco C9350 48-port	84 month(s)	0 days	1	$7,434.00	$7,434.00	$3,196.62	$3,196.62	PRIMARYSERVICE	SERVICE
3.1	PWR-C2-1600WAC-I	1600W AC 80+ Titanium Port-Inlet Config 2Power Supply	N/A	98 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.2	PWR-C2-1600WAC-I	1600W AC 80+ Titanium Port-Inlet Config 2Power Supply	N/A	98 days	1	$2,512.50	$2,512.50	$829.13	$829.13		PRODUCT
3.3	CAB-C15-CBN	Cabinet Jumper Power Cord, 250 VAC 13A, C14-C15 Connectors	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.4	C9350-NM-8Y	Cisco C9350 8 x 25G/10G/1G or 4x 50G SFP56 network module	N/A	98 days	1	$3,316.50	$3,316.50	$1,094.45	$1,094.45		PRODUCT
3.5	SC9350UK9-1718	Cisco C9350 IOS XE 17.18 K9 Universal Software Image	N/A	21 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.6	SSD-240G	Cisco pluggable USB3.0 SSD storage	N/A	25 days	1	$1,774.33	$1,774.33	$585.53	$585.53		PRODUCT
3.7	C9350-RFID	RFID Selected	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.8	C9350-FAN-I	Cisco 9350 Port Inlet Fan Module	N/A	98 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.9	C9K-ACC-RBFT	RUBBER FEET FOR TABLE TOP SETUP 9200 and 9300	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.10	C9K-ACC-SCR-4	12-24 and 10-32 SCREWS FOR RACK INSTALLATION, QTY 4	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.11	CAB-GUIDE-1RU	1RU CABLE MANAGEMENT GUIDES 9200 and 9300	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.12	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.13	C9350-STACK-NONE	No Stack Cable Selected	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.14	C9350-SPWR-NONE	No Stack Power Cable Selected	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
4.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	8	$160.81	$1,286.48	$53.07	$424.56		PRODUCT
5.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	4	$4,014.98	$16,059.92	$1,324.94	$5,299.76		PRODUCT
6.0	**SFP-10G-LR-S=**	10GBASE-LR SFP Module, Enterprise-Class	N/A	42 days	25	$2,458.75	$61,468.75	$811.39	$20,284.75		PRODUCT
Police											

7.0	**C9350-48HX**	Cisco C9350 48-port 10G-mGig with 90W UPOE+	N/A	98 days	3	$18,542.25	$55,626.75	$6,118.94	$18,356.82		PRODUCT
7.0.1	CON-RO4-C935048H	RMA UPGRADE 24X7X4 Cisco C9350 48-port	84 month(s)	0 days	3	$7,434.00	$22,302.00	$3,196.62	$9,589.86	PRIMARYSERVICE	SERVICE
7.1	PWR-C2-1600WAC-I	1600W AC 80+ Titanium Port-Inlet Config 2Power Supply	N/A	98 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.2	PWR-C2-1600WAC-I	1600W AC 80+ Titanium Port-Inlet Config 2Power Supply	N/A	98 days	3	$2,512.50	$7,537.50	$829.13	$2,487.39		PRODUCT
7.3	CAB-C15-CBN	Cabinet Jumper Power Cord, 250 VAC 13A, C14-C15 Connectors	N/A	25 days	6	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.4	C9350-NM-8Y	Cisco C9350 8 x 25G/10G/1G or 4x 50G SFP56 network module	N/A	98 days	3	$3,316.50	$9,949.50	$1,094.45	$3,283.35		PRODUCT
7.5	STACK-T1A-50CM	50CM Type 1 Stacking Cable	N/A	98 days	3	$130.65	$391.95	$43.11	$129.33		PRODUCT
7.6	CAB-SPWR-35CM	Stack Power Cable 35 CM	N/A	98 days	3	$125.63	$376.89	$41.46	$124.38		PRODUCT
7.7	SC9350UK9-1718	Cisco C9350 IOS XE 17.18 K9 Universal Software Image	N/A	21 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.8	SSD-240G	Cisco pluggable USB3.0 SSD storage	N/A	25 days	3	$1,774.33	$5,322.99	$585.53	$1,756.59		PRODUCT
7.9	C9350-RFID	RFID Selected	N/A	25 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.10	C9350-FAN-I	Cisco 9350 Port Inlet Fan Module	N/A	98 days	9	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.11	C9K-ACC-RBFT	RUBBER FEET FOR TABLE TOP SETUP 9200 and 9300	N/A	25 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.12	C9K-ACC-SCR-4	12-24 and 10-32 SCREWS FOR RACK INSTALLATION, QTY 4	N/A	25 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.13	CAB-GUIDE-1RU	1RU CABLE MANAGEMENT GUIDES 9200 and 9300	N/A	25 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.14	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.0	**C9500X-60L4D-A**	Catalyst 9500 60x10/25/50G + 4x400G, Advantage	N/A	25 days	2	$67,571.18	$135,142.36	$22,298.49	$44,596.98		PRODUCT
8.0.1	CON-L14HR-C954SXU5	CX LEVEL 1 24X7X4 Catalyst 9500 60x25/50G + 4x400G, Advant	84 month(s)	N/A	2	$61,810.00	$123,620.00	$26,578.30	$53,156.60	PRIMARYSERVICE	SERVICE
8.1	C9500X-DNA-60L4D-A	C9500X DNA Advantage, Term License	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.1.0.1	C955KX9D	CX LEVEL 1 SW SUB C9500X DNA Advantage, Term License	84 month(s)	N/A	2	$4,984.00	$9,968.00	$2,143.12	$4,286.24	PRIMARYSERVICE	SERVICE
8.1.1	C9500X-DNA-A-7Y	DNA Advantage 7 Year License	84 month(s)	N/A	2	$33,404.67	$66,809.34	$15,032.10	$30,064.20		SUBSCRIPTION
8.2	C9K-PWR-1500WAC	1500W AC Power Supply	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.3	C9K-PWR-1500WAC/2	1500W AC Power Supply	N/A	25 days	2	$3,537.60	$7,075.20	$1,167.41	$2,334.82		PRODUCT
8.4	PWR-CAB-AC-USA	Power Cord for AC V2 Power Module (USA)	N/A	42 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.5	C9500X-NW-A	C9500X Network Stack, Advantage	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.6	S9500UK9-1712	Cisco Catalyst 9500 XE 17.12 UNIVERSAL	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.7	C9K-F3-SSD-240GB	Catalyst 9500X Series 240GB SSD Storage	N/A	25 days	2	$3,226.05	$6,452.10	$1,064.60	$2,129.20		PRODUCT
8.8	C9500X-FAN-1U-R	Catalyst 9500X front to back (port-side intake) cooling Fan	N/A	25 days	12	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.9	C9K-OPTICS-TOOL	Optics extraction tool for C9000 Switches	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.10	C9500X-RFID	RFID Selected	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.11	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
9.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	5	$4,014.98	$20,074.90	$1,324.94	$6,624.70		PRODUCT
10.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	8	$160.81	$1,286.48	$53.07	$424.56		PRODUCT
Senior Cent											
11.0	**C9500X-60L4D-A**	Catalyst 9500 60x10/25/50G + 4x400G, Advantage	N/A	25 days	2	$67,571.18	$135,142.36	$22,298.49	$44,596.98		PRODUCT
11.0.1	CON-L14HR-C954SXU5	CX LEVEL 1 24X7X4 Catalyst 9500 60x25/50G + 4x400G, Advant	84 month(s)	N/A	2	$61,810.00	$123,620.00	$26,578.30	$53,156.60	PRIMARYSERVICE	SERVICE
11.1	C9500X-DNA-60L4D-A	C9500X DNA Advantage, Term License	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.1.0.1	C955KX9D	CX LEVEL 1 SW SUB C9500X DNA Advantage, Term License	84 month(s)	N/A	2	$4,984.00	$9,968.00	$2,143.12	$4,286.24	PRIMARYSERVICE	SERVICE
11.1.1	C9500X-DNA-A-7Y	DNA Advantage 7 Year License	84 month(s)	N/A	2	$33,404.67	$66,809.34	$15,032.10	$30,064.20		SUBSCRIPTION
11.2	C9K-PWR-1500WAC	1500W AC Power Supply	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.3	C9K-PWR-1500WAC/2	1500W AC Power Supply	N/A	25 days	2	$3,537.60	$7,075.20	$1,167.41	$2,334.82		PRODUCT
11.4	PWR-CAB-AC-USA	Power Cord for AC V2 Power Module (USA)	N/A	42 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.5	C9500X-NW-A	C9500X Network Stack, Advantage	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.6	S9500UK9-1712	Cisco Catalyst 9500 XE 17.12 UNIVERSAL	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.7	C9K-F3-SSD-240GB	Catalyst 9500X Series 240GB SSD Storage	N/A	25 days	2	$3,226.05	$6,452.10	$1,064.60	$2,129.20		PRODUCT
11.8	C9500X-FAN-1U-R	Catalyst 9500X front to back (port-side intake) cooling Fan	N/A	25 days	12	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.9	C9K-OPTICS-TOOL	Optics extraction tool for C9000 Switches	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.10	C9500X-RFID	RFID Selected	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.11	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT

12.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	6	$160.81	$964.86	$53.07	$318.42		PRODUCT
13.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	5	$4,014.98	$20,074.90	$1,324.94	$6,624.70		PRODUCT
Civic Center											
14.0	**C9500X-60L4D-A**	Catalyst 9500 60x10/25/50G + 4x400G, Advantage	N/A	25 days	2	$67,571.18	$135,142.36	$22,298.49	$44,596.98		PRODUCT
14.0.1	CON-L14HR-C954SXU5	CX LEVEL 1 24X7X4 Catalyst 9500 60x25/50G + 4x400G, Advant	84 month(s)	N/A	2	$61,810.00	$123,620.00	$26,578.30	$53,156.60	PRIMARYSERVICE	SERVICE
14.1	C9500X-DNA-60L4D-A	C9500X DNA Advantage, Term License	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.1.0.1	C955KX9D	CX LEVEL 1 SW SUB C9500X DNA Advantage, Term License	84 month(s)	N/A	2	$4,984.00	$9,968.00	$2,143.12	$4,286.24	PRIMARYSERVICE	SERVICE
14.1.1	C9500X-DNA-A-7Y	DNA Advantage 7 Year License	84 month(s)	N/A	2	$33,404.67	$66,809.34	$15,032.10	$30,064.20		SUBSCRIPTION
14.2	C9K-PWR-1500WAC	1500W AC Power Supply	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.3	C9K-PWR-1500WAC/2	1500W AC Power Supply	N/A	25 days	2	$3,537.60	$7,075.20	$1,167.41	$2,334.82		PRODUCT
14.4	PWR-CAB-AC-USA	Power Cord for AC V2 Power Module (USA)	N/A	42 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.5	C9500X-NW-A	C9500X Network Stack, Advantage	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.6	S9500UK9-1712	Cisco Catalyst 9500 XE 17.12 UNIVERSAL	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.7	C9K-F3-SSD-240GB	Catalyst 9500X Series 240GB SSD Storage	N/A	25 days	2	$3,226.05	$6,452.10	$1,064.60	$2,129.20		PRODUCT
14.8	C9500X-FAN-1U-R	Catalyst 9500X front to back (port-side intake) cooling Fan	N/A	25 days	12	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.9	C9K-OPTICS-TOOL	Optics extraction tool for C9000 Switches	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.10	C9500X-RFID	RFID Selected	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.11	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
15.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	6	$160.81	$964.86	$53.07	$318.42		PRODUCT
16.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	4	$4,014.98	$16,059.92	$1,324.94	$5,299.76		PRODUCT
City Hall											
17.0	**QSFP-100G-CU5M=**	100GBASE-CR4 Passive Copper Cable, 5m	N/A	25 days	2	$645.44	$1,290.88	$213.00	$426.00		PRODUCT
18.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	2	$160.81	$321.62	$53.07	$106.14		PRODUCT
19.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	7	$4,014.98	$28,104.86	$1,324.94	$9,274.58		PRODUCT
20.0	**C9610R**	Cisco C9610 Series Smart Switch Chassis	N/A	91 days	2	$40,200.00	$80,400.00	$13,266.00	$26,532.00		PRODUCT
20.0.1	CON-RO4-C9610R	RMA UPGRADE 24X7X4 Cisco C9610 Series S	84 month(s)	N/A	2	$96,614.00	$193,228.00	$41,544.02	$83,088.04	PRIMARYSERVICE	SERVICE
20.1	SC9610UK9-1718	Cisco C9610 IOS XE 17.18 K9 Universal Software Image	N/A	21 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.2	CAB-CONSOLE-USB-C	Console Cable USB-C type for C1k and C9k Switches	N/A	25 days	2	$118.29	$236.58	$39.04	$78.08		PRODUCT
20.3	C9610-LC-BLANK	Cisco C9610 Series 10 slot chassis linecard Blank	N/A	25 days	10	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.4	C9610-RFID	Cisco C9610 Series RFID	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.5	C9610-NEBS-KIT	Cisco C9610 Series 10 slot chassis NEBS Kit	N/A	25 days	2	$2,512.50	$5,025.00	$829.13	$1,658.26		PRODUCT
20.6	C9610-RFID-C	Cisco C9610 Series linecard RFID	N/A	25 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.7	C9610-SUP-3	Cisco C9610 Series Supervisor 3 Module	N/A	91 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.8	C9610-SSD-960G-V1	Cisco C9610 Series 10 slot 960GB SSD Storage	N/A	25 days	2	$2,010.00	$4,020.00	$663.30	$1,326.60		PRODUCT
20.9	C9610-SUP-3/2	Cisco C9610 Series Redundant Supervisor 3 Module	N/A	84 days	2	$60,802.50	$121,605.00	$20,064.83	$40,129.66		PRODUCT
20.10	C9610-SSD-960G-V1	Cisco C9610 Series 10 slot 960GB SSD Storage	N/A	25 days	2	$2,010.00	$4,020.00	$663.30	$1,326.60		PRODUCT
20.11	C9600-PWR-3KWAC	Cisco Catalyst 9600 Series 3000W AC Power Supply	N/A	25 days	16	$7,437.00	$118,992.00	$2,454.21	$39,267.36		PRODUCT
20.12	CAB-C19-CBN	Cabinet Jumper Power Cord, 250 VAC 16A, C20-C19 Connectors	N/A	25 days	16	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.13	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.14	C9600-LC-48TX	Cisco Catalyst 9600 Series 48-Port Copper	N/A	25 days	2	$28,105.35	$56,210.70	$9,274.77	$18,549.54		PRODUCT
20.15	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.16	C9600X-LC-56YL4C	Cisco Catalyst 9600 Series 56-Port 10G/25G/50G, 4-Port 100G	N/A	42 days	2	$40,200.00	$80,400.00	$13,266.00	$26,532.00		PRODUCT
20.17	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.18	C9600X-LC-32CD	Cisco Catalyst 9600 Series 30-Port 100G,2-Port 400G	N/A	25 days	2	$44,220.00	$88,440.00	$14,592.60	$29,185.20		PRODUCT
20.19	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT

21.0	**CISCO-NETWORK-SUB**	Cisco Networking Subscription	84 month(s)	N/A	1	$0.00	$0.00	$0.00	$0.00		SUBSCRIPTION
21.1	SVS-L0SPT-CN	Cisco Network Product Support	84 month(s)	3 days	1	$0.00	$0.00	$0.00	$0.00		SERVICE
21.2	LIC-CS-CO-MO-A	Cisco Switching Advantage License Core Modular	84 month(s)	6 days	2	$128,333.52	$256,667.04	$57,750.08	$115,500.16		LICENSE
21.3	LIC-CS-CO-MO-A	Cisco Switching Advantage License Core Modular	84 month(s)	6 days	2	$128,333.52	$256,667.04	$57,750.08	$115,500.16		LICENSE
21.4	LIC-CS-AC1-L-E	Cisco Switching Essentials Tier 1, Large	84 month(s)	6 days	3	$5,880.00	$17,591.00	$3,057.60	$9,172.80		LICENSE
21.5	LIC-CS-AC1-L-E	Cisco Switching Essentials Tier 1, Large	84 month(s)	6 days	1	$5,880.00	$5,863.67	$3,057.60	$3,057.60		LICENSE
Gude-Taft											
22.0	**QSFP-100G-CU5M=**	100GBASE-CR4 Passive Copper Cable, 5m	N/A	25 days	2	$645.44	$1,290.88	$213.00	$426.00		PRODUCT
23.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	2	$160.81	$321.62	$53.07	$106.14		PRODUCT
24.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	5	$4,014.98	$20,074.90	$1,324.94	$6,624.70		PRODUCT
25.0	**C9610R**	Cisco C9610 Series Smart Switch Chassis	N/A	91 days	2	$40,200.00	$80,400.00	$13,266.00	$26,532.00		PRODUCT
25.0.1	CON-RO4-C9610R	RMA UPGRADE 24X7X4 Cisco C9610 Series S	84 month(s)	N/A	2	$96,614.00	$193,228.00	$41,544.02	$83,088.04	PRIMARYSERVICE	SERVICE
25.1	SC9610UK9-1718	Cisco C9610 IOS XE 17.18 K9 Universal Software Image	N/A	21 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.2	CAB-CONSOLE-USB-C	Console Cable USB-C type for C1k and C9k Switches	N/A	25 days	2	$118.29	$236.58	$39.04	$78.08		PRODUCT
25.3	C9610-LC-BLANK	Cisco C9610 Series 10 slot chassis linecard Blank	N/A	25 days	10	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.4	C9610-RFID	Cisco C9610 Series RFID	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.5	C9610-NEBS-KIT	Cisco C9610 Series 10 slot chassis NEBS Kit	N/A	25 days	2	$2,512.50	$5,025.00	$829.13	$1,658.26		PRODUCT
25.6	C9610-RFID-C	Cisco C9610 Series linecard RFID	N/A	25 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.7	C9610-SUP-3	Cisco C9610 Series Supervisor 3 Module	N/A	91 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.8	C9610-SSD-960G-V1	Cisco C9610 Series 10 slot 960GB SSD Storage	N/A	25 days	2	$2,010.00	$4,020.00	$663.30	$1,326.60		PRODUCT
25.9	C9610-SUP-3/2	Cisco C9610 Series Redundant Supervisor 3 Module	N/A	84 days	2	$60,802.50	$121,605.00	$20,064.83	$40,129.66		PRODUCT
25.10	C9610-SSD-960G-V1	Cisco C9610 Series 10 slot 960GB SSD Storage	N/A	25 days	2	$2,010.00	$4,020.00	$663.30	$1,326.60		PRODUCT
25.11	C9600-PWR-3KWAC	Cisco Catalyst 9600 Series 3000W AC Power Supply	N/A	25 days	16	$7,437.00	$118,992.00	$2,454.21	$39,267.36		PRODUCT
25.12	CAB-C19-CBN	Cabinet Jumper Power Cord, 250 VAC 16A, C20-C19 Connectors	N/A	25 days	16	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.13	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.14	C9600-LC-48TX	Cisco Catalyst 9600 Series 48-Port Copper	N/A	25 days	2	$28,105.35	$56,210.70	$9,274.77	$18,549.54		PRODUCT
25.15	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.16	C9600X-LC-56YL4C	Cisco Catalyst 9600 Series 56-Port 10G/25G/50G, 4-Port 100G	N/A	42 days	2	$40,200.00	$80,400.00	$13,266.00	$26,532.00		PRODUCT
25.17	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.18	C9600X-LC-32CD	Cisco Catalyst 9600 Series 30-Port 100G,2-Port 400G	N/A	25 days	2	$44,220.00	$88,440.00	$14,592.60	$29,185.20		PRODUCT
25.19	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
Meraki Licer											
26.0	**LIC-MR-ADV-1Y**	Meraki MR Advanced License and Support, 1YR	N/A	3 days	200	$313.59	$62,718.00	$0.00	$0.00		PRODUCT
27.0	**LIC-MS225-48FP-1YR**	Meraki MS225-48FP Enterprise License and Support, 1YR	N/A	3 days	2	$577.01	$1,154.02	$0.00	$0.00		PRODUCT
28.0	**LIC-MS390-24E-1Y**	Meraki MS390 24-port Enterprise License and Support, 1 Year	N/A	3 days	2	$694.42	$1,388.84	$0.00	$0.00		PRODUCT
29.0	**LIC-MV-1YR**	Meraki MV Enterprise License and Support, 1YR	N/A	3 days	75	$330.15	$24,761.25	$0.00	$0.00		PRODUCT
30.0	**LIC-SME-1YR**	Cisco Meraki Systems Manager Enterprise Device License, 1YR	N/A	3 days	1500	$40.14	$60,210.00	$0.00	$0.00		PRODUCT
1.0	**TRN-CLC-000**	10 Training credit. Expires in 1 yr. Team Captain required	12 month(s)	N/A	12	$1,000.00	$12,000.00	$0.00	$0.00		PRODUCT
31.0	**QDD-400-CU3M=**	400G Passive Cable, 3m	N/A	25 days	8	$1,005.00	$8,040.00	$331.65	$2,653.20		PRODUCT
32.0	**QSFP-100G-AOC3M=**	100GBASE QSFP Active Optical Cable, 3m	N/A	25 days	8	$2,711.79	$21,694.32	$894.89	$7,159.12		PRODUCT
Engineering											

33.0	**Services-Senior**	Professional Engineering Services			1			$249,750.00	$249,750.00	SERVICES	ENGINEERING
Additional cables											
34.0	**SFP-H10GB-CU5M=**	10GBASE-CU SFP+ Cable 5 Meter	N/A	19 days	10	$192.73	$1,927.30	$63.60	$636.00		PRODUCT
35.0	**SFP-H25G-CU1M=**	25GBASE-CU SFP28 Cable 1 Meter	N/A	19 days	10	$157.28	$1,572.80	$51.90	$519.00		PRODUCT
36.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	19 days	4	$160.81	$643.24	$53.07	$212.28		PRODUCT
37.0	**QSFP-100G-CU5M=**	100GBASE-CR4 Passive Copper Cable, 5m	N/A	19 days	12	$645.44	$7,745.28	$213.00	$2,556.00		PRODUCT
38.0	**SFP-10/25G-LR-S=**	10/25GBASE-LR SFP28 Module	N/A	19 days	4	$2,774.19	$11,096.76	$915.48	$3,661.92		PRODUCT
Nexus Dashboard and DNA appliance											
39.0	**ND-NODE-L4=**	Nexus Dashboard Node Spare	N/A	14 days	2	$60,300.00	$120,600.00	$19,899.00	$39,798.00		PRODUCT
39.0.1	CON-L1NCD-ND1NODEL	CX LEVEL 1 8X7NCD Nexus Dashboard Node	84 month(s)	N/A	2	$30,450.00	$60,900.00	$13,093.50	$26,187.00	PRIMARYSERVICE	SERVICE
39.1	ND-UNI-DK9-3.0	Nexus Dashboard Software Release 3.0	N/A	21 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.2	APIC-PSU1-1600W	APIC Cisco UCS 1600W AC Power Supply for Rack Server	N/A	14 days	2	$1,098.90	$2,197.80	$362.64	$725.28		PRODUCT
39.3	CAB-C13-CBN	Cabinet Jumper Power Cord, 250 VAC 10A, C14-C13 Connectors	N/A	21 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.4	APIC-PCIE-C25Q-04	Cisco APIC VIC 1455 Quad Port 10/25G SFP28 CNA PCIE	N/A	14 days	2	$2,544.84	$5,089.68	$839.80	$1,679.60		PRODUCT
39.5	DCN-OTHER	Select if this product will NOT be used for AI Applications	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.6	APIC-CPU-A7443P	AMD 2.8GHz 7443P 200W 24C/128MB Cache DDR4 3200MHz	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.7	CIMC-LATEST	IMC SW (Recommended) latest release for C-Series Servers.	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.8	APIC-M2-HWRAID	Cisco Boot optimized M.2 Raid controller	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.9	APIC-BBLKD	APIC SSD drive blanking panel	N/A	14 days	8	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.1	APIC-HD24TB10K4KN	2.4 TB 12G SAS 10K RPM SFF HDD (4K)	N/A	14 days	8	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.11	APIC-O-ID10GC	APIC Intel X710T2LOCPV3G1L 2x10GbE RJ45 OCP3.0 NIC	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.12	APIC-OCP3-KIT	APIC C2XX OCP 3.0 Interposer W/Mech Assy	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.13	APIC-MR-X32G2RW	32GB RDIMM DRx4 3200 (8Gb)	N/A	182 days	16	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.14	APIC-RAID-220M6	Cisco 12G SAS RAID Controller w/4GB FBWC (16 Drv) w/1U Brkt	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.15	APIC-TPM2-002B-C	Trusted Platform Module2.0 APIC server(FIPS 140-2 Compliant)	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.16	APIC-PSU1-1600W	APIC Cisco UCS 1600W AC Power Supply for Rack Server	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.17	APIC-M2-240G	240GB SATA M.2	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.18	APIC-SDB960OA1PM6	960GB 2.5in 15mm Solidigm S4620 Enter Perf 6G SATA 3X SSD	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.19	APIC-NVB1T6O1PM6	1.6TB 2.5in U.2 15mm Solidigm P5620 Hg Perf Hg End 3X NVMe	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
40.0	**FPR4200-PWR-AC=**	Cisco Secure Firewall 4200 Series AC Power Supply	N/A	21 days	2	$4,020.00	$8,040.00	$1,326.60	$2,653.20		PRODUCT
41.0	**C9300L-LIC=**	Electronic SW License for C9300L Switches	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
41.0.1	CON-ECMU-C930LLIC	SWSS UPGRADES Electronic SW License for C9300L Switch	84 month(s)	N/A	2	$0.00	$0.00	$0.00	$0.00	PRIMARYSERVICE	SERVICE
41.1	TE-EMBEDDED-T	Cisco ThousandEyes Enterprise Agent IBN Embedded	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
41.1.1	TE-EMBEDDED-T-7Y	ThousandEyes - Enterprise Agents	84 month(s)	N/A	2	$0.00	$0.00	$0.00	$0.00		SUBSCRIPTION
41.2	C9300L-24-E-A	24-port NW & Cisco DNA Ess to NW & Cisco DNA Adv Upgrade	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
41.2.1	C9300L-24-E-A-7	24-port NW & DNA Ess to NW & DNA Adv Upgrade License (7Y)	84 month(s)	N/A	2	$5,547.73	$11,095.46	$2,219.09	$4,438.18		SUBSCRIPTION
41.3	C9300L-NW-A-24	C9300L Network Advantage, 24-port license	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42	**DN3-HW-APL**	Cisco Catalyst Center Appliance (Gen 3) - 32 Core	N/A	13 days	2	$125,759.67	$251,519.34	$41,500.69	$83,001.38		PRODUCT
42.0.1	CON-L1NCD-DN3HBAPL	CX LEVEL 1 8X7NCD Cisco DNA Center Appliance (Gen 3) - 32	84 month(s)	N/A	2	$68,957.00	$137,914.00	$29,651.51	$59,303.02	PRIMARYSERVICE	SERVICE
42.1	DNA-SW-2.3.7	Cisco Catalyst Center SW 2.3.7	N/A	21 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.2	DN3-HW-APL-LIC	Cisco Catalyst Center Appliance License- 32 Core	N/A	21 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.3	NO-POWER-CORD	ECO friendly green option, no power cable will be shipped	N/A	14 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.4	DN3-CPU-I6326	Intel 6326 2.9GHz/185W 16C/24MB DDR4 3200MHz	N/A	35 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.5	DN3-MR-X32G2RW	32GB RDIMM DRx4 3200 (8Gb)	N/A	178 days	16	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.6	DN3-SD19TKA1X-EV	1.9TB 2.5 inch Enterprise Value 12G SAS SSD	N/A	35 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.7	DN3-RAID-220M6	Cisco 12G SAS RAID Controller w/4GB FBWC (16 Drv) w/1U Brkt	N/A	35 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.8	DN3-PSU1-2300W	Cisco UCS 2300W AC Power Supply for Rack Servers Titanium	N/A	35 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.9	DN3-GPURKIT-C220	GPU Riser Bracket assy kit C220 / C225 1U	N/A	35 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.1	DN3-TPM-002C	TPM 2.0, TCG, FIPS140-2, CC EAL4+ Certified, for M6 servers	N/A	35 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.11	DN3-SDB960SA1V	960GB 2.5in 6G SATA Enter Value 1X Samsung G1PM893A SSD	N/A	35 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT

42.12	DN3-SDB1T9SA1V	1.9TB 2.5in 6G SATA Enter Value 1X Samsung G1PM893A SSD	N/A	35 days	12	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.13	DN3-P-I8Q25GF	Cisco-Intel E810XXVDA4L 4x25/10 GbE SFP28 PCIe NIC	N/A	35 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.14	DN3-P-I8D25GF	Cisco-Intel E810XXVDA2 2x25/10 GbE SFP28 PCIe NIC	N/A	35 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
		QC162833899IL									
								Total	$1,918,566.90		

Quote prepared by:
Neeraj Gaba
DISYS Solutions Inc
Ph: 571-707-3609
Neeraj.Gaba@dsitech.com

STANDARD ADDENDUM TO LEASE PURCHASE AGREEMENT BY AND BETWEEN THE MAYOR AND COUNCIL OF ROCKVILLE AND CISCO SYSTEMS CAPITAL CORPORATION

This Standard Addendum to Lease Purchase Agreement 500-50707166 dated as of November 4, 2025 (the "**Addendum**") by and between the Mayor and Council of Rockville, a Maryland municipal corporation and body politic (the "**Mayor and Council**", "**City**", or "**Lessee**"), and Cisco Systems Capital Corporation, a Nevada corporation, authorized to do business in Maryland ("**Cisco**", "**Contractor**", or "**Lessor**") is entered into as of the ____ day of _____, 2025 ("**Effective Date**"). The Mayor and Council and the Contractor are the "**Parties**" to this Agreement.

RECITALS

WHEREAS, the Mayor and Council desires to procure on behalf of the City of Rockville Department of Information Technology (the "**IT Department**"), various Cisco products, maintenance services and solutions ("**Cisco Hardware and Maintenance Services**"); and

WHEREAS, in accordance with Section 17-71(b) of the Rockville City Code, the City may enter into a contract to procure the Cisco Hardware and Maintenance Services from the contractor without utilizing the City's formal solicitation process if (i) if the contractor has entered into a contract to provide the Cisco Hardware and Maintenance Services to "other state or local governments or agencies," (ii) the other state or local government or agency arrived at the contract terms for the Cisco Hardware and Maintenance Services with the contractor "through a competitive procurement procedure similar to the procedure used by the City," and (iii) the City obtains the same contract terms the contractor offered to the other state or local government or agency; and

WHEREAS, contemporaneously with this Agreement, the City is procuring the Cisco Hardware and Maintenance Services from a Cisco authorized vendor, DISYS Solutions Inc. ("**DSI**"), in accordance with Rockville City Code Section 17-71(b); and

WHEREAS, in order to obtain the Cisco Hardware and Maintenance Services, the City desires to obtain the equipment through a Lease Purchase Agreement with the Contractor wherein the Contractor will provide the funds to DSI for the Cisco Hardware and Maintenance Services being provided to the City through DSI.

WHEREAS, the Contractor requires purchasers entering into a lease to purchase arrangement to sign its Lease Purchase Agreement, attached and incorporated herein as **Attachment A** (the "**Agreement**"); and

WHEREAS, the Parties agree that the Agreement is modified as noted in this Addendum.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. RECITALS & ORDER OF PRECEDENCE

A. **Incorporation of Recitals**. The foregoing recitals above are an integral part of this Addendum and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Addendum. Accordingly, the recitals above are fully incorporated into this Addendum by this reference as if fully set forth herein.

B. **Order of Precedence**. This Addendum prevails in the event of any inconsistency between this Addendum, the Agreement, and any attachments. Any term or condition of the Agreement not superseded by a term or condition of this Addendum shall remain in full force and effect. Capitalized terms used herein and not otherwise defined herein shall have the terms assigned to such terms in the Agreement.

II. PAYMENT AMOUNT

A. **Amount**. The amount of to be paid the Contractor shall not exceed **ONE MILLION NINE HUNDRED EIGHTEEN THOUSAND FIVE HUNDRED SIXTY-SIX AND 90/100 DOLLARS ($1,918,566.90)** over the term of the Agreement.

III. ADDITIONAL TERMS:

A. The following terms are expressly superseded by this Addendum, to wit:

i. Any automatic renewal or extension of the Agreement beyond the Maximum Lease Term as set forth in the Agreement.

ii. Any requirement that the Mayor and Council of Rockville indemnify or hold harmless the Contractor for any act or omission. Section 7.5 of the Agreement shall be deleted in its entirety and replaced with the following:

> 7.05. Risk of Loss Covenants. Lessee shall not be required to indemnify or hold Lessor harmless against liabilities arising from the Agreement. However, as between Lessor and Lessee, and to the extent permitted by law, including but not limited to the Local Government Tort Claims Act, Section 5-303(a), Courts & Judicial Proceedings Article, Annotated Code of Maryland, Lessee shall bear the risk of loss for, shall pay directly, and defend Lessor against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Property, including, but not limited to, the possession, ownership, lease, use or operation thereof, except that Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses

that arise directly from events occurring after Lessee has surrendered possession of the Property in accordance with the terms of the Agreement to Lessor or that arise directly from the gross negligence or willful misconduct of the Lessor

iii. Any imposition of interest charges contrary to Maryland's laws relating to Prompt Payment.
iv. Any provision requiring the law of any state other than Maryland in interpreting or enforcing the Agreement or requiring or permitting any dispute under the Agreement be resolved in the courts of any state other than Maryland and a County other than Montgomery County, Maryland.
v. Any requirement of total or partial compensation or payment for lost profit or liquidated damages by the Mayor and Council of Rockville if the City terminates the Agreement.
vi. Any limit to the time period in which claims or actions can be brought unless set forth in Maryland law.
vii. Any language purporting to authorize unilateral modification of the Agreement by the Contractor.
viii. Any language that might be construed as overriding the Mayor and Council's obligations to comply with the Maryland Open Records Act.
ix. Any language binding the Mayor and Council to arbitration.
x. Any obligation of the Mayor and Council to pay costs of collection or attorney's fees.
xi. Bestowing any right or incurring any obligation that is beyond the duly granted authority of the undesigned City representative to bestow or incur on behalf of the Mayor and Council.
xii. Any term that purports to require the City to pay costs that are beyond the funds annually appropriated by Mayor and Council.
xiii. In Section 7.02 of the Agreement, Insurance, the language that reads "All such casualty and liability insurance shall be with insurers that are acceptable to Lessor, shall name Lessor as a loss payee and an additional insured, respectively, and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially without first giving written notice thereof to Lessor at least ten days in advance of such cancellation or modification" shall be deleted in its entirety and replaced with the following: "All such casualty and liability insurance shall be with insurers that are acceptable to Lessor, shall name Lessor as a loss payee, and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially without first giving written notice thereof to Lessor at least ten days in advance of such cancellation or modification."

B. To the extent authorized by law, the following terms are specifically incorporated, to wit:

i. The Contractor will not discriminate against any employee or applicant for employment because of age (in accordance with applicable law), ancestry,

color, national origin, race, ethnicity, religion, disability, genetics, marital status, pregnancy, presence of children, gender, sexual orientation, gender identity or expression, or veteran status. The Contractor will take affirmative action to ensure that applicants are employed, and the employees are treated fairly and equally during employment with regard to the above. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment, layoff or termination, rates of pay or other form of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. Contractors must also include the same nondiscrimination language in all subcontracts.

If the Contractor fails to comply with nondiscrimination clauses of this contract or fails to include such contract provisions in all subcontracts that subcontractors will not discriminate against any employee or applicant for employment in the manner described above, this contract may be declared void AB INITIO, cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further contracts with the City of Rockville. Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to the City Manager who shall commence a prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor will permit access to the Contractor's books, records, and accounts. If the City Manager concludes that the Contractor has failed to comply with nondiscrimination clauses, the remedies set out above may be invoked.

C. **Legal Requirements**. The Contractor shall observe and comply with all Federal, State, County, and City laws, statutes, rules and regulations that affect the provision of software under this Agreement.

D. **Legal Notices. Notices, Demands, and Communications Between the Parties.** Formal notices, demands, and communications between the Contractor and the Mayor and Council shall be given either by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, (iii) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, or (iv) delivery by facsimile or electronic mail (email) with transmittal confirmation and confirmation of delivery, addressed to:

To the Mayor and Council: City of Rockville
111 Maryland Avenue
Rockville, Maryland 20850

Attention: Sara Taylor-Ferrell, City Clerk
Email: SFerrell@rockvillemd.gov
Telephone: (240) 314-8283

With a Copy to: Robert E. Dawson, City Attorney
Email: RDawson@rockvillemd.gov
Telephone: (240) 314-8150

Jeff Mihelich, City Manager
Email: JMihelich@rockvillemd.gov
Telephone: (240) 314-8102

To the Contractor: Cisco Capital Systems
1111 Old Eagle School Road
Wayne, PA 19807
Attn: Legal Department
Telephone: (610) 386-5000

E. **Choice of Law & Venue**. The provisions of the Agreement shall be governed by the laws of the State of Maryland. Any civil action or legal proceeding arising out of or relating to this Contract shall be brought only in the courts of record of the State of Maryland in Montgomery County.

F. **Authority of the City Manager in Disputes**. Any dispute concerning a question of fact arising under the agreement signed by the City and the Contractor which is not disposed of by the Agreement shall be decided by the City Manager who shall notify the Contractor in writing of the determination. The Contractor shall be afforded the opportunity to be heard and offer evidence in support of the Contractor's position. The decision of the City Manager shall be final and conclusive unless an appeal is taken pursuant to the Chapter 17 of the Rockville City Code.

G. **Limitation of Liability**. The limit of liability of Contractor to the City for any cause or combination of causes shall be, in total amount, limited to the fees paid under this Agreement.

H. **Mutual Waiver of Consequential Damages**. Notwithstanding anything to the contrary, on behalf of themselves, their governing officers and employees, the parties waive all claims against each other for consequential losses or damages, and punitive damages, whether arising in contract, warranty, tort (including negligence), strict liability or otherwise, including but not limited to losses of use, excess construction costs, alternative construction means or methods, or losses of funding.

I. **Proprietary Information**. The Mayor and Council agree, to the extent permitted by law, to hold material and information belonging to Contractor, which the Contractor has clearly identified as proprietary, trade secret, or confidential, in

strictest confidence. Contractor agrees to hold all material and information belonging to the Mayor and Council or the City's agents in strictest confidence and not to make use of this information other than for the performance of the contract obligations, to release it only to employees requiring such information. Reasonable precautions will be exercised for the protection of any proprietary data provided by one Party to the other. Information responsive to Public Information Act requests, or other lawful requests, may be required to be released.

J. **Ethics Requirements**. In accordance with the City's financial disclosure and ethical conduct policy and/or ordinances, the Contractor represents that it is not in violation of such disclosure or ethics requirements to the extent applicable to this Agreement and the payment by the City for the software provided by Contractor.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Mayor and Council and the Contractor sign this Addendum.

CONTRACTOR

CISCO SYSTEMS CAPITAL CORPORATION,
a California Corporation

By: _____
Name: _____
Title: _____

MAYOR AND COUNCIL

Approved as to form:

THE MAYOR AND COUNCIL OF ROCKVILLE, a body corporate and municipal corporation of the State of Maryland

_____
Robert E. Dawson, City Attorney

By: _____
Jeff Mihelich, City Manager

ATTACHMENT A

DOCUMENTATION INSTRUCTIONS FOR LEASE NUMBER 500-50707166

The instructions listed below should be followed when completing the enclosed documentation. Documentation completed improperly will delay funding. If you have any questions regarding the instructions or the documentation, please call us.

EXCEPT AS NOTED, ALL SIGNATURES MUST BE BY THE PERSON OR PERSONS AUTHORIZED IN LESSEE'S RESOLUTION.

I. LEASE PURCHASE AGREEMENT

a. Terms and Conditions
- Print name, title, sign and date
- Another authorized officer must attest the signature – must be signed by other than lease signor

b. Tax Designation and Covenants – The purpose of this document is to determine if the Tax-Exempt Lease Purchase Agreement meets the requirements for "Bank Qualification" under Section 265(b)(3)(B) of the Internal Revenue Code. How the Lessee answers the questions will not impact the current transaction; however, it does allow for proper categorization of the obligation and accurate reporting to the Internal Revenue Service.
- Initial as appropriate

c. Opinion of Counsel
- Lessee's legal counsel must sign, date and type in their name, the name of the firm, address and telephone number.

II. EXHIBIT A – PAYMENT SCHEDULE

- Print name, title, sign and date

III. EXHIBIT B – EQUIPMENT DESCRIPTION — *(WHEN PROVIDED)*

- Print name, title, sign and date

IV. INCUMBENCY CERTIFICATE

To be signed by a person other than the person who signed the agreement and related Documents.

V. STATE SPECIFIC ADDENDA – Required for: AR, AZ, CO, FL, GA, KS, LA, MI, MN, MS, NC, NJ, NY, OH, OK, and TX.

- Print name, title, sign and date. Attest where required

VI. ACCEPTANCE CERTIFICATE – PLEASE RETAIN UNTIL ALL EQUIPMENT HAS BEEN RECEIVED AND IS IN FULL WORKING ORDER

- Print name, title, sign and date

VII. 8038 - IRS FORM

The enclosed form is a SAMPLE only. The actual 8038G or GC will be completed and sent to you for your signature after closing, with instructions to return the original to us at your earliest convenience. This is being done in accordance with the Internal Revenue Service regulations and is a requirement of this financing.

VIII. ADDITIONAL DOCUMENTATION THAT MUST BE SENT PRIOR TO FUNDING — *(WHEN APPLICABLE)* :

☐ **Resolution** of governing body approving the purchase of the equipment and the resolution ratifying the financing. (Note: If the purchase resolution and financing were done in one resolution that is sufficient.)

☑ **Vendor invoice** listing customer as both bill to and ship to party (to be provided by vendor)

☑ **Advance payment check** made payable to Cisco Systems Capital Corporation

☑ **Completed Billing Information form**

☑ **State sales tax exemption certificate**

☑ **Original documents**

☑ **Escrow Agreement** – Return signed Escrow Agreement Incumbency Certificate & Lessee W9

☑ Property Insurance Certificate listing Cisco Systems Capital and Its Assigns as "loss payee".

☑ Liability Insurance Certificate listing Cisco Systems Capital and Its Assigns as Certificate Holder.

ALL DOCUMENTATION SHOULD BE RETURNED TO:

Lease Processing Center, 1111 Old Eagle School Road, Wayne, PA 19087 • 800-736-0220
Attn: Jazmine Washington
Email: csc-sled-sales-support@cisco.com

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Lease Purchase Agreement

DATED: November 4, 2025

LESSEE

Full Legal Name	Phone Number
The Mayor and Council of Rockville	

DBA Name (if any)

Billing Address	City	State	Zip
111 Maryland Ave	Rockville	MD	20850

PROPERTY DESCRIPTION

Quantity	Model No. (if applicable)	Serial Number (if applicable)	General Description (describe equipment, software, maintenance, warranty, service and similar items being financed):
			See DISYS Solutions Inc quote CISCO17388E dated July 22, 2025
			for asset description purposes only.

Location of Property (include the location of any tangible personal property financed and/or the location of any tangible personal property that will be using intangible property):

VENDOR

Vendor Name: DISYS Solutions Inc

Address

City State Zip

RENTAL PAYMENTS

Rental Payment Periods:

- ☐ Monthly
- ☐ Quarterly
- ☐ Semiannually
- ☑ Annually

Rental Payments shall be made in accordance with Section 4.01 and the Schedule of Rental Payments attached hereto as Exhibit A.

TERMS & CONDITIONS

THE TERMS AND CONDITIONS OF THIS AGREEMENT SET FORTH ON PAGES TWO THROUGH FIVE, INCLUDING ANY EXHIBITS ATTACHED HERETO, SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

LESSOR

Lessor: **CISCO SYSTEMS CAPITAL CORPORATION**

Signature

Title

Lease Number: 500-50707166

LESSEE SIGNATURE

Lessee: The Mayor and Council of Rockville

Signature

Title

(Seal)

Attest

Title

(Terms and Conditions continued on the reverse side of this Agreement.)

TAX DESIGNATIONS AND COVENANTS

Bank Qualification: Lessee initial here if this provision is applicable: _____
If not initialed, this provision does NOT apply to this Agreement.

(a) Lessee hereby designates this Agreement as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by Lessee and all subordinate entities thereof during the calendar year during which the Commencement Date of this Agreement occurs, including this Agreement, is not reasonably expected to exceed $10,000,000.

(b) Lessee hereby covenants that Lessee and all subordinate entities thereof will not issue in excess of $10,000,000 of "qualified tax-exempt obligations" (including this Agreement but excluding private activity bonds other than qualified 501(c)(3) bonds) during the calendar year during which the Commencement Date of this Agreement occurs without first obtaining an opinion of nationally recognized counsel in the area of tax-exempt obligations of state and local governments acceptable to Lessor that the designation of this Agreement as a "qualified tax-exempt obligation" will not be adversely affected.

OPINION OF COUNSEL

As legal counsel of Lessee, I have examined (a) the Agreement, which, among other things provides for the sale to and purchase by the Lessee of the Property, (b) an executed counterpart of the ordinance or resolution of Lessee which, among other things, authorizes Lessee to execute the Agreement and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions. Based on the foregoing, I am of the following opinions: (1) Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power; (2) Lessee has the requisite power and authority to purchase the Property and to execute and deliver the Agreement and to perform its obligations under the Agreement; (3) the Agreement and the other documents either attached thereto or required therein have been duly authorized, approved and executed by and on behalf of Lessee, and the Agreement is a valid and binding obligation of Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditor's rights generally; (4) the authorization, approval and execution of the Agreement and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state and federal laws; and (5) there is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Agreement. All capitalized terms herein shall have the same meanings as in the Agreement. Lessor, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of Rental Payments are entitled to rely on this opinion.

Signature	Date
Name	Phone Number

Address City State Zip

ARTICLE I

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Lease Purchase Agreement and any other schedule, exhibit or escrow agreement made a part hereof by the parties hereto, together with any amendments to the Agreement.

"Capital Expenditures" means costs of a type that are properly chargeable to a capital account under general federal income tax principles in effect at the time the cost is paid, or would be so chargeable with a proper election or with the placed-in-service date considered to be the date on which, based on all facts and circumstances, (a) the facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" is the date when the term of this Agreement and Lessee's obligation to pay rent commence, which date shall be the earlier of (i) the date on which the Property is accepted by Lessee in the manner described in Section 5.01, or (ii) the date on which sufficient moneys to purchase the Property are deposited by Lessor for that purpose with an escrow agent.

"Event of Default" means an Event of Default described in Section 12.01.

"Issuance Year" is the calendar year in which the Commencement Date occurs.

"Lease Term" means the Original Term and all Renewal Terms, but ending on the occurrence of the earliest event specified in Section 3.02.

"Lessee" means the entity described as such on the front of this Agreement, its successors and its assigns.

"Lessor" means the entity described as such on the front of this Agreement, its successors and its assigns.

"Maximum Lease Term" means the Original Term and all Renewal Terms through the Renewal Term including the last Rental Payment date set forth on the Payment Schedule.

"Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.

"Original Term" means the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date.

"Payment Schedule" means the schedule of Rental Payments and Purchase Price set forth on Exhibit A.

"Property" means the equipment, software, maintenance, warranty, service and similar items being financed by this Agreement as described on the front of this Agreement, and all replacements, substitutions, updates, upgrades, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto, as applicable.

"Purchase Price" means the amount set forth on the Payment Schedule as the Purchase Price for the Property.

"Renewal Terms" means the optional renewal terms of this Agreement, each having a duration of one year and a term co extensive with Lessee's fiscal year.

"Rental Payment Period" means the period beginning on the day a Rental Payment is due and ending the day before the next Rental Payment is due, The first Rental Payment Period shall begin on the Commencement Date in all cases. If Rental Payment Periods are monthly, subsequent Rental Payment Periods shall begin on the same day of each month after the Commencement Date. If Rental Payment Periods are quarterly, subsequent Rental Payment Periods shall begin on the same day of each third month after the Commencement Date. If Rental Payment Periods are semiannual, subsequent Rental Payment Periods shall begin on the same day of each sixth month after the Commencement Date. If Rental Payment Periods are annual, subsequent Rental Payment Periods shall begin on the anniversary of the Commencement Date in each year. If the Commencement Date is the 29th, 30th, or 31st day of a month, any subsequent Rental Payment Period that would otherwise begin on the 29th, 30th or 31st of a month that does not include such a date shall begin on the last day of the month.

"Rental Payments" means the basic rental payments payable by Lessee pursuant to Section 4.01.

"State" means the state in which Lessee is located.

"Vendor" means the manufacturer or supplier of the Property as well as the agents or dealers of the manufacturer or supplier of the Property, as listed on the front of this Agreement.

ARTICLE II

Section 2.01. Representations and Covenants of Lessee. Lessee represents, warrants and covenants for the benefit of Lessor as follows:

(a) Lessee is a municipal corporation and political subdivision duly organized and existing under the constitution and laws of the State. Lessee will do or cause to be done all things to preserve and keep in full force and effect its existence as a body corporate and politic. Lessee is a political subdivision of the State within the meaning of Section 103(a) of the Code or a constituted authority authorized to issue obligations on behalf of a state or local governmental unit within the meaning of the regulations promulgated pursuant to said Section of the Code.

(b) Lessee is authorized under the constitution and laws of the State to enter into this Agreement and the transaction contemplated hereby and to perform all of its obligations hereunder.

(c) Lessee has been duly authorized to execute and deliver this Agreement by proper action and approval of its governing body at a meeting duly called, regularly convened and attended throughout by a requisite majority of the members thereof or by other appropriate official approval.

(d) This Agreement constitutes the legal, valid and binding obligation of the Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(e) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the Commencement Date.

(f) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the Rental Payments scheduled to come due during the Original Term and to meet its other obligations for the Original Term, and such funds have not been expended for other purposes.

(g) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

(h) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Property hereunder.

(i) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting the Lessee, nor to the best knowledge of the Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement or any other document, agreement or certificate which is used or contemplated for use in the consummation of the transactions contemplated by this Agreement or materially adversely affect the financial condition or properties of Lessee.

(j) All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessee of this Agreement or in connection with the carrying out by the Lessee of its obligations hereunder have been obtained.

(k) The entering into and performance of this Agreement or any other document or agreement contemplated hereby to which the Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest of other encumbrance on any assets of the Lessee or the Property pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Lessee is a party or by which it or its assets may be bound, except as herein provided.

(l) The Property is essential to the function of the Lessee or to the service Lessee provides to its citizens. The Lessee has an immediate need for, and expects to make immediate use of, substantially all the Property, which need is not temporary or expected to diminish in the foreseeable future. The Property will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of Lessee's authority and will not be used in the trade or business of any other entity or person.

(m) Lessee will comply with all applicable provisions of the Code, including without limitation Sections 103 and 148 thereof, and the applicable regulations of the United States Treasury Department to maintain the exclusion of the interest components of Rental Payments from gross income for purposes of federal income taxation.

(n) Lessee has never failed to appropriate or otherwise make available funds sufficient to pay rental or other payments coming due under any lease purchase, installment sale or other similar agreement.

(o) All the costs of acquiring the Property, including amounts attributable to the financing of software, maintenance, warranty and similar items, are consistently treated as Capital Expenditures by the Lessee on its books and records. All proceeds of this Agreement will be used, directly or indirectly, to finance Capital Expenditures or, to the extent permitted by law, de minimis expenditures for certain specified purposes.

(p) Lessee has received written assurance from Vendor that with respect to the portion of the Property being prepaid, the same maintenance, repair, extended warranty, updates or maintenance or support services, as applicable, are regularly provided to nongovernmental persons on the same terms.

Section 2.02. Certification as to Arbitrage. Lessee hereby represents as follows:

(a) The estimated total costs of the Property will not be less than the total principal portion of the Rental Payments.

(b) The Property has been ordered or is expected to be ordered within six months of the Commencement Date, and the Property is expected to be delivered and installed, and the Vendor fully paid, within one year of the Commencement Date.

(c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments.

(d) The Property has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Rental Payments.

(e) To the best of our knowledge, information and belief, the above expectations are reasonable.

ARTICLE III

Section 3.01. Lease of Property. Lessor hereby demises, leases and lets the Property to Lessee, and Lessee rents, leases and hires the Property from Lessor, in accordance with the provisions of this Agreement, for the Lease Term. The Original Term of this Agreement shall commence on the Commencement Date and shall terminate on the last day of Lessee's current fiscal year. The Lease Term may be continued at the end of the Original Term or any Renewal Term for an additional Renewal Term up to the Maximum Lease Term; provided, however, that at the end of the Original Term and at the end of each Renewal Term until the Maximum Lease Term has been completed, Lessee shall be deemed to have continued this Agreement for the next Renewal Term unless Lessee shall have terminated this Agreement pursuant to Section 3.04 or Section 10.01. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the Payment Schedule.

Section 3.02. Termination of Lease Term. The Lease Term shall terminate upon the earliest of any of the following events:

(a) the expiration of the Original Term or any Renewal Term and the nonrenewal of this Agreement in the event of nonappropriation of funds pursuant to Section 3.04;

(b) the exercise by Lessee of the option to purchase the Property under Article X and payment of the Purchase Price and all amounts payable in connection therewith;

(c) a default by Lessee and Lessor's election to terminate this Agreement under Article XII; or

(d) the payment by Lessee of all Rental Payments authorized or required to be paid by Lessee hereunder during the Maximum Lease Term.

Section 3.03. Continuation of Lease Term. Lessee currently intends, subject to Section 3.04, to continue the Lease Term through the Original Term and all of the Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Original Term and each of the Renewal Terms can be obtained. The responsible financial officer of Lessee shall do all things lawfully within his or her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such Rental Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend this Agreement for any Renewal Term is solely within the discretion of the then current governing body of Lessee.

Section 3.04. Nonappropriation. Lessee is obligated only to pay such Rental Payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. In the event sufficient funds shall not be appropriated or are not otherwise legally available to pay the Rental Payments required to be paid in the next occurring Renewal Term, as set forth in the Payment Schedule, this Agreement shall be deemed to be terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver written notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the Lease Term beyond such Original Term or

Renewal Term. If this Agreement is terminated in accordance with this Section, Lessee's rights to the Property will simultaneously terminate and Lessee agrees, at Lessee's cost and expense, (a) to immediately discontinue use of the Property, (b) to return to Lessor any portion of the Property constituting tangible personal property, (c) to remove any intangible Property from Lessee's property and terminate access to and use of such Property, whether such Property is installed on premises or accessed remotely or by internet connection and, as applicable, deliver or otherwise release the same to Vendor at the location or locations specified by Vendor, and (d) within 30 days of any such termination, to deliver a certificate to Lessor certifying that Lessee has complied with this sentence.

ARTICLE IV

Section 4.01. Rental Payments. Lessee shall pay Rental Payments exclusively from legally available funds, in lawful money of the United States of America to Lessor on the dates and in the amounts set forth on the Payment Schedule. Any Rental Payment not received on or before its due date shall bear interest at the rate of 18% per annum or the maximum amount permitted by law, whichever is less, from its due date. As set forth on the Payment Schedule, a portion of each Rental Payment is paid as, and represents payment of, interest.

Section 4.02. Rental Payments to Constitute a Current Expense of Lessee. The obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee, and does not constitute a mandatory payment obligation of Lessee in any fiscal year beyond the then current fiscal year of Lessee. Lessee's obligation hereunder shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of Lessee.

Section 4.03. Rental Payments To Be Unconditional. EXCEPT AS PROVIDED IN SECTION 3.04, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE PROPERTY TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

ARTICLE V

Section 5.01. Delivery, Installation and Acceptance of the Property. Lessee shall (a) order the Property, (b) cause any portion of the Property constituting tangible personal property to be delivered and installed at the location specified on the front of this Agreement, (c) cause any intangible Property to be accessible from Lessee's computers, servers and other electronic equipment, either by installing the software directly on premises or providing remote access thereto, and (d) pay any and all delivery, installation and other costs in connection therewith. When the Property has been delivered and installed or is otherwise accessible by the Lessee, Lessee shall immediately accept the Property and evidence said acceptance by executing and delivering to Lessor an acceptance certificate acceptable to Lessor. After it has been installed, any portion of the Property constituting tangible personal property and any computers, servers and other electronic equipment using intangible Property will not be moved from the location specified on the front of this Agreement without Lessor's consent, which consent shall not be unreasonably withheld.

Section 5.02. Enjoyment of Property. Lessee shall peaceably and quietly have and hold and enjoy the Property during the Lease Term, without suit, trouble or hindrance from Lessor, except as otherwise expressly set forth in this Agreement.

Section 5.03. Right of Inspection. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting any portion of the Property constituting tangible personal property.

Section 5.04. Use and Maintenance of the Property. Lessee will not install, use, operate or maintain the Property improperly, carelessly, in violation of any licensing or other agreement, or in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall obtain all permits and licenses, if any, necessary for the installation, use, operation and maintenance of the Property. In addition, Lessee shall comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body; provided that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest or rights of Lessor under this Agreement. Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Property in good repair, working order and condition and install all updates, upgrades, improvements and additions to the Property made available to it by Vendor. Lessor shall have no responsibility to maintain or repair or to provide or make updates, upgrades, improvements or additions to the Property.

ARTICLE VI

Section 6.01. Title to the Property. During the Lease Term, title to the Property shall vest in Lessee, subject to the provisions of this Agreement and any applicable license or other agreement. Upon any termination of this Agreement pursuant to Sections 3.02(a) or Section 3.02(c), Lessee's title shall immediately and without any action by Lessee terminate. Upon any termination of the Agreement pursuant to Sections 3.02(b) or 3.02(d), title to the Property shall be vested in Lessee, free and clear of any claim by or through Lessor.

Section 6.02. UCC FILINGS. Lessee authorizes Lessor to file a financing statement with respect to the Property.

ARTICLE VII

Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Property free and clear of all liens, charges and encumbrances, except those created under this Agreement. The parties to this Agreement contemplate that the Property will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Property will be exempt from all property taxes and other similar charges. If the licensing, use, possession or acquisition of the Property is found to be subject to taxation in any form, Lessee will pay all taxes and governmental charges lawfully assessed or levied against or with respect to the Property. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Property. Lessee shall pay such taxes and charges as the same become due; provided that, with respect to any such taxes and charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments that accrue during the Lease Term.

Section 7.02. Insurance. At its own expense, Lessee shall maintain (a) casualty insurance insuring any portion of the Property constituting tangible personal property against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount at least equal to the then applicable Purchase Price of the Property, (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor, and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self insure against the risks described in clauses (a) and (b). All insurance proceeds from casualty losses shall be payable as hereinafter provided. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term, as applicable. All such casualty and liability insurance shall be with insurers that are acceptable to Lessor, shall name Lessor as a loss payee and an additional insured, respectively, and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially without first giving written notice thereof to Lessor at least ten days in advance of such cancellation or modification. All such casualty insurance shall contain a provision making any losses payable to Lessee and Lessor, as their respective interests may appear.

Section 7.03. Advances. In the event Lessee shall fail to maintain the insurance required by this Agreement, pay the taxes or charges required to be paid by it under this Agreement or keep the Property in good repair and operating condition, Lessor may, but shall be under no obligation to, purchase the required policies of insurance and pay the cost of the premiums thereof, pay such taxes and charges and maintain and repair the Property and pay the cost thereof. All amounts so advanced by Lessor shall become additional rent for the then current Original Term or Renewal Term. Lessee agrees to pay such amounts with interest thereon from the date paid at the rate of 12% per annum or the maximum permitted by law, whichever is less.

Section 7.04. Financial Information. Lessee will annually provide Lessor with current financial statements, budgets, proofs of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be requested by Lessor.

Section 7.05. Release and Indemnification. To the extent permitted by law, Lessee shall indemnify, protect and hold harmless Lessor from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and expenses in connection therewith (including, without limitation, counsel fees and expenses and any federal income tax and interest and penalties connected therewith imposed on interest received) arising out of or as the result of (a) the entering into this Agreement, (b) the ownership of any item of the Property, (c) the ordering, licensing, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Property, (d) any accident in connection with the licensing, operation, use, condition, possession, storage or return of any item of the Property resulting in damage to property or injury or death to any person or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

ARTICLE VIII

Section 8.01. Risk of Loss. Lessee assumes, from and including the Commencement Date, all risk of loss of or damage to the Property from any cause whatsoever. No such loss of or damage to the Property nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Rental Payments or to perform any other obligation under this Agreement.

Section 8.02. Damage, Destruction, Unfitness for Use and Condemnation. If (a) any portion of the Property constituting tangible personal property is destroyed, in whole or in part, or is damaged by fire or other casualty or if any portion of the Property is otherwise rendered unfit for use by any cause whatsoever, or (b) title to, or the temporary use of, any portion of the Property or the interest of Lessee or Lessor in any portion of the Property shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee and Lessor will cause the Net Proceeds to be applied to the prompt replacement, repair or restoration of the Property, unless Lessee shall have exercised its option to purchase Lessor's interest in the Property pursuant to Article X. Any balance of the Net Proceeds remaining after such replacement, repair or restoration of the Property has been completed shall be paid to Lessee.

Section 8.03. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair or restoration referred to in Section 8.02, Lessee shall either (a) complete such replacement, repair or restoration and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) purchase Lessor's interest in the Property pursuant to Article X. The amount of the Net Proceeds, if any, remaining after completing such replacement, repair or restoration or after purchasing the Property shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE IX

Section 9.01. Disclaimer of Warranties. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OR PURPOSE OF THE PROPERTY OR AGAINST INFRINGEMENT, OR ANY OTHER WARRANTY OR REPRESENTATION WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY ACTUAL, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OR MAINTENANCE OF ANY PROPERTY PROVIDED FOR IN THIS AGREEMENT.

Section 9.02. Vendor's Warranties. Lessee may have rights under the contract evidencing the purchase of the Property or licensing or other agreements; Lessee is advised to contact the Vendor for a description of any such rights. Lessor hereby assigns to Lessee during the Lease Term all rights under any licensing or other agreement and warranties, if any, running from Vendor to Lessor included in or respecting the Property. Lessor hereby irrevocably appoints Lessee its agent and attorney in fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights (including without limitation warranties) related to the Property that Lessor may have against the Vendor. Lessee's sole remedy for the breach of any such licensing or other agreement, warranty, indemnification or representation shall be against the Vendor, and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no

representations or warranties whatsoever as to the existence or availability of such agreements or warranties by any Vendor.

ARTICLE X

Section 10.01. Purchase Option. Lessee shall have the option to purchase Lessor's interest in all (but not less than all) of the Property, upon giving written notice to Lessor at least 60 (but not more than 180) days before the date of purchase, at the following times and upon the following terms:

(a) On any Rental Payment Date, upon payment in full of the Rental Payments and all other amounts then due hereunder plus the then applicable Purchase Price to Lessor; or

(b) If substantially all of the Property is substantially damaged, destroyed or otherwise rendered unfit for use or is condemned, on the day Lessee specifies as the purchase date in Lessee's notice to Lessor of its exercise of the purchase option, upon payment in full of the Rental Payments and all other amounts then due hereunder plus (i) the Purchase Price designated on the Payment Schedule for such purchase date if such purchase date is a Rental Payment Date or the Purchase Price for the immediately preceding Rental Payment Date if such purchase date is not a Rental Payment Date, and (ii) if such day is not a Rental Payment Date, an amount equal to the portion of the interest component of the Rental Payment scheduled to come due on the following Rental Payment Date accrued from the immediately preceding Rental Payment Date to such purchase date, computed on the basis of a 360 day year of twelve 30 day months.

Upon the exercise of the option to purchase set forth above, title to the Property shall be vested in Lessee, free and clear of any claim by or through Lessor.

Section 10.02. Determination of Fair Purchase Price. Lessee and Lessor hereby agree and determine that the Rental Payments hereunder during the Original Term and each Renewal Term represent the fair value of the use of the Property and that the amount required to exercise Lessee's option to purchase Lessor's interest in the Property pursuant to Section 10.01 represents, as of the end of the Original Term or any Renewal Term, the fair purchase price of the Property. Lessee hereby determines that the Rental Payments do not exceed a reasonable amount so as to place Lessee under a practical economic compulsion to renew this Agreement or to exercise its option to purchase the Property hereunder. In making such determinations, Lessee and Lessor have given consideration to (a) the costs of the Property, (b) the uses and purposes for which the Property will be employed by Lessee, (c) the benefit to Lessee by reason of the acquisition and installation of the Property and the use of the Property pursuant to the terms and provisions of this Agreement and any applicable licensing and other agreements, and (d) Lessee's option to purchase Lessor's interest in the Property.

ARTICLE XI

Section 11.01. Assignment by Lessor. Lessor's interest in, to and under this Agreement and the Property may, without notice to or the consent of Lessee, be assigned and reassigned in whole or in part to one or more assignees by Lessor. Lessee hereby appoints Municipal Registrar Services (the "Registrar") as its agent for the purpose of maintaining a written record of each such assignment in form necessary to comply with Section 149(a) of the Code. No such assignment shall be binding on Lessee until the Registrar has received written notice from Lessor of the name and address of the assignee. Lessee agrees to execute all documents, including chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interest in the Property and in this Agreement. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim, defense, set-off or other right Lessee may from time to time have against Lessor.

Section 11.02. Assignment and Subleasing by Lessee. None of Lessee's right, title and interest in, to and under this Agreement and in the Property may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Property, to the extent, if any, permitted by any applicable licensing and other agreements, if Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax exempt municipal obligations satisfactory to Lessor that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. Any such sublease of all or part of the Property shall be subject to this Agreement and the rights of the Lessor in, to and under this Agreement and the Property.

ARTICLE XII

Section 12.01. Events of Default Defined. Subject to the provisions of Section 3.04, any of the following shall be "Events of Default" under this Agreement:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;

(b) Any termination or suspension of any of Lessee's rights under any licensing agreement included in the Property.

(c) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed or to comply with any licensing or other agreement included in or respecting the Property, other than as referred to in Section 12.01(a), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(d) Any statement, representation or warranty made by Lessee in or pursuant to this Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(e) Any provision of this Agreement shall at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under this Agreement;

(f) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or

(g) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term to be due.

(b) Lessor may terminate this Agreement and hold Lessee liable for Rental Payments and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term, and in such event, Lessee's rights to the Property will simultaneously terminate and Lessee agrees, at Lessee's cost and expense, (a) to immediately discontinue use of the Property, (b) to return to Lessor any portion of the Property constituting tangible personal property, (c) to remove any intangible Property from Lessee's property and terminate access to and use of such Property, whether such Property is installed on premises or accessed remotely or by internet connection and, as applicable, deliver or otherwise release the same to Vendor at the location or locations specified by Vendor, and (d) within 30 days of any such termination, to deliver a certificate to Lessor certifying that Lessee has complied with this sentence. Lessor reserves the right to, and Lessee agrees that the Lessor or Vendor may, upon termination of this Agreement, enter the premises where the Property is located or used to retake possession of the Property or ensure compliance with the previous sentence.

(c) Lessor may take whatever other action at law or in equity may appear necessary or desirable to enforce its rights as Lessor under this Agreement.

In addition, Lessee will remain liable for all covenants and indemnities under this Agreement and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor. Lessor may charge interest on all amounts due to it at the rate of 18% per annum or the maximum amount permitted by law, whichever is less.

Section 12.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

ARTICLE XIII

Section 13.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at the addresses on the front of this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.04. Entire Agreement. This Agreement constitutes the entire agreement between Lessor and Lessee.

Section 13.05. Amendments. This Agreement may be amended in writing by Lessor and Lessee.

Section 13.06. INTENTIONALLY OMITTED.

Section 13.07. Usury. The parties hereto agree that the charges in this Agreement shall not be a violation of usury or other law. Any such excess charge shall be applied in such order as to conform this Agreement to such applicable law.

Section 13.08. Jury Trial Waiver. TO THE EXTENT PERMITTED BY LAW, LESSEE AGREES TO WAIVE ITS RIGHT TO A TRIAL BY JURY.

Section 13.09. INTENTIONALLY OMITTED.

Section 13.10. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 13.11. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 13.12. Role of Lessor. Lessor has not acted and will not act as a fiduciary for Lessee or as Lessee's agent or municipal advisor. Lessor has not and will not provide financial, legal, tax, accounting or other advice to Lessee or to any financial advisor or placement agent engaged by Lessee with respect to this Agreement. Lessee, its financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain its own financial, legal, tax, accounting and other advice with respect to this Agreement from its own advisors (including as it relates to structure, timing, terms and similar matters).

Section 13.13. Electronic Transactions. Lessor, in its sole discretion, may permit Lessee to electronically copy and/or deliver by telecopier or other electronic means of transmission an executed counterpart of this Agreement, and any document, schedule, amendment, addendum, supplement or agreement related hereto or executed in connection herewith, with the exception of the IRS Form 8038-G which Lessee must execute using an original, manual signature (not e-Signature). By so copying and/or delivering any such document, Lessee hereby represents and agrees (a) that such transmission constitutes due delivery of such executed document, (b) that the counterpart of such executed document as printed by the recipient, including Lessee's signature thereon, shall be deemed to constitute an original and shall be admissible in any court or other legal proceeding as an original, and (c) to deliver to Lessor, promptly on request, such document bearing Lessee's original "wet ink" signature; provided that neither delivery nor failure to deliver the document bearing Lessee's original "wet ink" signature shall limit or modify the representations and agreements set forth in clauses (a) and (b). This Agreement, including any document, schedule, amendment, addendum, supplement or agreement related hereto or executed in connection herewith with the exception of the IRS Form 8038-G, may be executed in counterparts and any facsimile, photographic or other electronic transmission and/or electronic signing of the Agreement by the Lessee when manually countersigned by Lessor or attached to Lessor's original signature counterpart and/or in Lessor's possession shall constitute the sole original chattel paper as defined in the UCC for all purposes and will be admissible as legal evidence thereof. At Lessor's option, Lessor may require a manual signature.

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CERTIFICATE OF INCUMBENCY AND AUTHORITY

The undersigned, being a knowledgeable and authorized agent of The Mayor and Council of Rockville ("Obligor"), does hereby certify that:

1. He or she is the duly elected, qualified and acting in a position as indicated by the undersigned's title.

2. Set forth below are the names and genuine signatures of individuals ("Authorized Officers") who hold the offices set forth opposite their respective names.

3. Each of the Authorized Officers is legally authorized to enter into any and all agreements with Cisco Systems Capital Corporation ("Lender") on behalf of Obligor.

NAME	TITLE	SIGNATURE

IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this _____ day of _____, 20____.

YOU AGREE THAT A FACSIMILE COPY OF THIS DOCUMENT WITH FACSIMILE SIGNATURES MAY BE TREATED AS AN ORIGINAL AND WILL BE ADMISSIBLE AS EVIDENCE IN A COURT OF LAW.

(COMPANY SEAL)

OBLIGOR

Obligor The Mayor and Council of Rockville

Signature X _____

Print Name _____

Title _____

Date _____

(THIS SIGNATURE IS TO BE EXECUTED BY A PERSON OTHER THAN THE PERSON OR PERSONS THAT SIGNED IN SECTION 3 ABOVE. THIS MAY BE THE CITY CLERK OR BOARD SECRETARY/BOARD CLERK)

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ESSENTIAL USE QUESTIONNAIRE

Lessee Contact Name / Position: _____ Phone Number: _____

1) Please clarify legal name of proposed lessee? The Mayor and Council of Rockville

2) Is any equipment to be leased replacing any existing equipment? *(If No, proceed to question 3).* ☐ Yes ☐ No

What percentage of the equipment to be leased is replacement? _____%

How long was the existing equipment in use? ☐ 1-3 yrs ☐ 3-5 yrs ☐ 5+ yrs

Why is the existing equipment being replaced? _____

3) For what purpose is the equipment being acquired? (Provide detail as to which department(s) and the expected use of the equipment)

_____

_____

4) Was the equipment/lease placed for competitive bid? ☐ Yes ☐ No

If No, why was a bid not required?

☐ Covered under state contract (Contract name and # _____)

☐ Size of transaction does not require competitive bid (What documentation _____)

☐ Transaction exempt from bidding process pursuant to current statutes (statute # _____)
(Please attach copy of statute if available)

☐ Other _____

5) What is the source of funds for repayment of this obligation?

☐ Local Property Taxes

☐ State Unrestricted Revenues

☐ Federal Financial Assistance

☐ Chapter I ☐ Chapter II ☐ Other _____

☐ Other _____

6) Are the funds to be used for repayment of this obligation appropriated and encumbered in an approved budget? ☐ Yes ☐ No

If No, why is the obligation not included in an approved budget? _____

_____

7) Why do you expect funds to continue to be appropriated in the future for repayment of this obligation? _____

_____

_____

To the best of your knowledge, have you ever non-appropriated funds in the past? ☐ Yes ☐ No

If Yes, please provide details _____

_____

8) What is required on the Invoice for prompt payment? _____

Completed By:

Signature: _____ Date: _____

Print Name: _____ Phone: _____

10PFDOC174

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EXHIBIT A

LEASE PURCHASE AGREEMENT

Payment Schedule

LESSOR: **Cisco Systems Capital Corporation**

LESSEE: The Mayor and Council of Rockville

LEASE NUMBER: 500-50707166

LEASE DATE: November 4, 2025

Rental Payment Number	Rental Payment Due Date	Rental Payment	Interest Portion	Principal Portion	Balance	Purchase Price
Loan	12/01/2025				$1,918,566.90	
1	01/01/2026	$274,080.98	$0.00	$274,080.98	$1,644,485.92	$1,677,375.64
2	01/01/2027	$274,080.98	($0.01)	$274,080.99	$1,370,404.93	$1,397,813.03
3	01/01/2028	$274,080.98	($0.01)	$274,080.99	$1,096,323.94	$1,118,250.42
4	01/01/2029	$274,080.98	($0.01)	$274,080.99	$822,242.95	$838,687.81
5	01/01/2030	$274,080.98	($0.01)	$274,080.99	$548,161.96	$559,125.20
6	01/01/2031	$274,080.98	$0.00	$274,080.98	$274,080.98	$279,562.60
7	01/01/2032	$274,080.98	$0.00	$274,080.98	$0.00	$0.00
Grand Totals		$1,918,566.86	($0.04)	$1,918,566.90		

Sales tax of _____ is included in the financed amount shown above.

Lessee acknowledges that the amount financed by Lessor is $1,628,345.50 and that such amount, net of any advance payments, is the issue price for Federal Income Tax purposes. The yield for this schedule for Federal Income Tax purposes is 5.529%. Such issue price and yield will be stated in the applicable IRS Form 8038-G.The dates, interest rate and resulting payments contained in the above amortization schedule are estimated based on the expected transaction funding timeframe. Lessor will make reasonable efforts to maintain the rate and payments presented herein. However, the rate may need to be adjusted prior to closing due to change in law or market conditions. In the event that market interest rates increase prior to the date of closing, the interest rate will be revised to reflect adjustments to the Lender's actual cost of funds due to financial market and legal changes incurred since the date of this documentation. This revision may result in an increase in the resulting payment amounts. If such revisions are deemed necessary by Lessor (it its sole discretion), it is understood and agreed by Lessee that a revised amortization schedule reflecting these changes will be executed prior to closing.

Lessee Signature: _____ Date: _____

Print Name: _____ Title: _____

21CSC295A

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Cisco Systems Capital Corporation

☐ Check here if your billing or Equipment Location has changed or is incorrect.
Please note changes on the reveres side.
Payment sent without a copy of this invoice may be subject to a delay in processing.

➢ Please do not send correspondence to this address.

➢ **Send payment for this Invoice to:**

Cisco Systems Capital Corporation
REF# 500-50707166
1111 OLD EAGLE SCHOOL ROAD
WAYNE, PA 19087

➢ **All future payments must be paid to the following Lockbox:**

Cisco Systems Capital Corporation
PO Box 825736
Philadelphia, PA 19182-5736

INVOICE #: 500-50707166
REFERENCE #: 500-50707166
CUSTOMER #: 500-50707166
DUE DATE: January 1, 2026
TOTAL DUE: $274,080.98

INVOICE DATE	INVOICE #	REFERENCE #	CUSTOMER
November 4, 2025	500-50707166	500-50707166	500-50707166
P.O. NUMBER		**EQUIPMENT DESCRIPTION**	
		SEE BELOW	
EQUIPMENT LOCATION			
111 Maryland Ave, Rockville, MD 20850			

INVOICE

CUSTOMER SERVICE 800-935-9439

EQUIPMENT DESCRIPTION	DUE DATE	PAYMENT AMOUNT
See Disys Solutions Inc quote CISCO17388E dated July 22, 2025.	January 1, 2026	$274,080.98
	TOTAL	$274,080.98

FOR PROPER CREDIT, PLEASE SUBMIT A COPY OF THIS INVOICE WITH PAYMENT.

11PFDOC194v2

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ESCROW AGREEMENT

This ESCROW AGREEMENT (the "Escrow Agreement"), dated as of November 4, 2025, and entered into among Cisco Systems Capital Corporation, a NV limited liability company ("Lessor"), The Mayor and Council of Rockville, a public body corporate and politic existing under the laws of MD ("Lessee"), and UMB Bank, n.a., a national banking corporation, as escrow agent ("Escrow Agent").

Name of Acquisition Fund: "The Mayor and Council of Rockville"

Equipment Acquisition Fund Account No.: _____

Amount of Deposit into the Acquisition Fund: $1,918,566.90 + $500.00 Escrow Fee Paid by Lessor

TERMS AND CONDITIONS

1. This Escrow Agreement relates to and is hereby made a part of Lease Purchase Agreement dated as of November 4, 2025 (the "Agreement"), between Lessor and Lessee.

2. Except as otherwise defined herein, all terms defined in the Agreement shall have the same meaning for the purposes of this Escrow Agreement as in the Agreement.

3. Lessor, Lessee and Escrow Agent agree that Escrow Agent will act as sole Escrow Agent under the Agreement and this Escrow Agreement, in accordance with the terms and conditions set forth in this Escrow Agreement. Escrow Agent shall not be deemed to be a party to the Agreement, and this Escrow Agreement shall be deemed to constitute the entire agreement between Lessor and Lessee and Escrow Agent.

4. There is hereby established in the custody of Escrow Agent a special trust fund designated as set forth above (the "Acquisition Fund") to be held and administered by Escrow Agent in trust for the benefit of Lessor and Lessee in accordance with this Escrow Agreement. Lessee hereby grants to Lessor a security interest in the cash and negotiable instruments from time to time comprising the Acquisition Fund (the "Security Interest"). To the limited extent required to perfect the Security Interest, Lessor hereby appoints Escrow Agent as its security agent, and Escrow Agent accepts the appointment as security agent and agrees to hold physical possession of such cash and negotiable instruments on behalf of Lessor.

5. Lessor shall deposit in the Acquisition Fund the amount specified above. Moneys held by Escrow Agent hereunder shall be invested and reinvested by Escrow Agent upon written direction of an authorized representative of Lessee in Qualified Investments (as hereinafter defined) maturing or subject to redemption at the option of the holder thereof prior to the date on which it is expected that such funds will be needed. Escrow Agent may act as purchaser or agent in the making or disposing of any investment. Escrow Agent shall have no obligation to invest or reinvest moneys if deposited with Escrow Agent after 11:00 a.m. (E.S.T.) on such day of deposit. Instructions received after 11:00 a.m. (E.S.T.) will be treated as if received on the following business day. Escrow Agent shall have no responsibility for any investment losses resulting from the investment, reinvestment or liquidation of funds held in the Acquisition Fund. Any interest or other income received on such investment and reinvestment of such funds shall become part of the Acquisition Fund and any losses incurred on such investment and reinvestment of such funds shall be debited against the Acquisition Fund. If the authorized representative of Lessee does not provide the Escrow Agent with written instructions directing the investment or reinvestment of such funds, the Escrow Agent may invest such funds in money market funds of a type described in Section 6(a)(iv) or Section 6(b)(vi) as appropriate until the Escrow Agent has received appropriate written instructions from the authorized representative. It is agreed and understood that the entity serving as Escrow Agent may earn fees associated with the investments described herein in accordance with the terms of such investments. Notwithstanding the foregoing, Escrow Agent shall have the power to sell or liquidate the foregoing investments whenever Escrow Agent shall be required to pay or disburse all or any portion of the funds held hereunder pursuant to the provisions hereof. In no event shall Escrow Agent be deemed an investment manager or adviser in respect of any selection of investments hereunder.

6. "Qualified Investments" shall be defined for purposes of this Escrow Agreement as follows:
   (a) For an Agreement **not** qualified for the arbitrage rebate exception for small governmental units under Section 148(f)(4)(C) of the Code, "Qualified Investments" means, to the extent the same are at the time legal for investment of the funds being invested: (i) United States Treasury Bills or United States Treasury Notes traded on an open market or issued directly by the United States at a yield not exceeding 5.529 % per annum, (ii) United States Treasury Obligations State and Local Government Series time deposit securities with a yield not exceeding 5.529 % per annum, (iii) obligations the interest of which is not includable in the gross income of the owner thereof for federal income tax purposes under Section 103 of the Code and which are rated AA or better by Standard & Poor's Corporation or Aa or better by Moody's Investors Service, Inc., (iv) shares of qualified regulated investment companies which distribute exempt interest dividends within the meaning of Section 852 of the Code and which are rated AA or better by Standard & Poor's Corporation or Aa or better by Moody's Investors Service, Inc. (tax exempt mutual funds), or (v) United States Treasury Obligations State and Local Government Series demand deposit securities.

   (b) For an Agreement qualified for the arbitrage rebate exception for small governmental units under Section 148(f)(4)(C) of the Code, "Qualified Investments" means to the extent the same are at the time legal for investment of the funds being invested: (i) direct general obligations of the United States of America; (ii) obligations the timely payment of the principal of and interest on which is fully and unconditionally guaranteed by the United States of America; (iii) general obligations of the agencies and instrumentalities of the United States of America acceptable to Lessor; (iv) certificates of deposit, time deposits or demand deposits with any bank or savings institution including Escrow Agent or any affiliate thereof, provided that such certificates of deposit, time deposits or demand deposits, if not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, are fully secured by obligations described in (i), (ii) or (iii) above; (v) repurchase agreements with any state or national bank or trust company, including Escrow Agent or any affiliate thereof, that are secured by obligations of the type described in (i), (ii) or (iii) above, provided that such collateral is free and clear of claims of third parties and that Escrow Agent or a third party acting solely as agent for Escrow Agent has possession of such collateral and a perfected first security interest in such collateral; or (vi) shares of money market funds which are registered under the Investment Act of 1940, as amended, and which are rated AAA by Standard & Poor's Corporation or Aaa by Moody's Investors Service, Inc.

7. Moneys in the Acquisition Fund shall be used to pay for the cost of acquisition of the Equipment listed in the Agreement. Payment shall be made from the Acquisition Fund for the cost of acquisition of part or all of said Equipment listed in the Agreement upon presentation to Escrow Agent of one or more properly executed Payment Request and Acceptance Certificates, a form of which is attached as Exhibit A, executed by Lessee and approved for payment by Lessor, together with an invoice for the cost of the acquisition of said Equipment for which payment is requested and a written approval by Lessor of the Vendor be paid.

8. The Acquisition Fund shall terminate upon the occurrence of the earlier of (a) the presentation of a proper Payment Request and Acceptance Certificate, with the portion thereof designated "Final Acceptance Certificate", properly executed by Lessee, or (b) the presentation of written notification by Lessor, or, if Lessor shall have assigned its interest under the Agreement, then the assignees or subassignees of all of Lessor's interest under the Agreement or an Agent on their behalf, that an Event of Default has occurred or that Lessee has terminated the Agreement pursuant to **Section 3.04** of the Agreement. Upon termination as described in clause (a) of this paragraph, any amount remaining in the Acquisition Fund shall be used to prepay the principal component of Rental Payments unless Lessor directs that payment of such amount be made in such other manner directed by Lessor that, in the opinion of nationally recognized counsel in the area of tax exempt municipal obligations satisfactory to Lessor, will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes. If any such amount is used to prepay principal, the Exhibit A of Rental Payments appearing

Initials _____ 124

in the Agreement shall be revised accordingly as specified by Lessor. Upon termination as described in clause (b) of this paragraph, any amount remaining in the Acquisition Fund shall immediately be paid to Lessor or to any assignees or subassignees of Lessor's interest in this Escrow Agreement.

9. Escrow Agent may at any time resign by giving at least 30 days written notice to Lessee and Lessor, but such resignation shall not take effect until the appointment of a successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Lessor and Lessee. In addition, Escrow Agent may be removed at any time, with or without cause, by an instrument in writing executed by Lessor and Lessee. In the event of any resignation or removal of Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee and the predecessor Escrow Agent. Thereupon such successor Escrow Agent shall, without any further act or deed, be fully vested with all the trusts, powers, rights, duties and obligations of Escrow Agent under this Escrow Agreement and the predecessor Escrow Agent shall deliver all moneys and securities held by it under this Escrow Agreement to such successor Escrow Agent.

10. Escrow Agent incurs no liability to make any disbursements pursuant to the Escrow Agreement except from funds held in the Acquisition Fund. Escrow Agent makes no representations or warranties as to the title to any Equipment listed in the Agreement or as to the performance of any obligations of Lessor or Lessee. Escrow Agent may consult legal counsel in the event of any dispute or question as to the construction of any provisions hereof or its duties hereunder, and it shall incur no liability and shall be fully protected in acting in accordance with the opinion or instructions of such counsel. Lessee agrees to indemnify Escrow Agent for, and to hold it harmless against, any loss, liability or expense incurred in connection herewith without gross negligence or willful misconduct on the part of Escrow Agent, including without limitation legal or other fees arising out of or in connection with its entering into this Escrow Agreement and carrying out its duties hereunder, including without limitation the costs and expenses of defending itself against any claim of liability in the premises or any action for interpleader. Escrow Agent shall be under no obligation to institute or defend any action, suit, or legal proceeding in connection herewith, unless first indemnified and held harmless to its satisfaction in accordance with the foregoing, except that Escrow Agent shall not be indemnified against any loss, liability or expense arising out of its own gross negligence or willful misconduct. Such indemnity shall survive the termination or discharge of this Escrow Agreement or resignation of Escrow Agent.

11. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State in which Escrow Agent is located.

12. In the event any provision of this Escrow Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

13. This Escrow Agreement may not be amended except by a written instrument executed by Lessor, Lessee and Escrow Agent.

14. This Escrow Agreement may be executed in several counterparts, each of which so executed shall be an original. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

15. Escrow Agent shall be entitled to fees and expenses for its regular services as Escrow Agent as agreed to in writing with the [Lessor/Lessee]. Escrow Agent is entitled to fees for extraordinary services and reimbursement of any out-of-pocket and extraordinary costs and expenses, including, but not limited to, attorneys' fees. Escrow Agent shall have a first lien upon the Acquisition Fund for the purpose of paying its fees and expenses. All of Escrow Agent's compensation, costs and expenses shall be paid by [Lessee/Lessor].

16. The parties hereto agree that, for tax reporting purposes, all interest or other income, if any, attributable to the funds held by Escrow Agent pursuant to this Escrow Agreement shall be allocable to Lessee. Lessor and Lessee agree to provide Escrow Agent completed Forms W-9 and other forms and documents that Escrow Agent may reasonably request (collectively, "Tax Reporting Documentation") at the time of execution of this Escrow Agreement and any information reasonably requested by Escrow Agent to comply with the USA Patriot Act of 2001, as amended from time to time. Additionally, the parties shall complete the Incumbency Certificate attached to this Escrow Agreement and provide it to Escrow Agent upon the execution of this Escrow Agreement. The parties hereto understand that if such Tax Reporting Documentation is not so certified to Escrow Agent, Escrow Agent may be required by the Internal Revenue Code, as it may be amended from time to time, to withhold a portion of any interest or other income earned on the investment of monies or other property held by Escrow Agent pursuant to this Escrow Agreement.

IN WITNESS WHEREOF, Lessor, Lessee and Escrow Agent have caused this Escrow Agreement to be executed by their duly authorized representatives, all as of the _____ day of _____, 20_____.

LESSOR SIGNATURE

Lessor Cisco Systems Capital Corporation

Signature _____

Print Name _____

Title _____

LESSEE SIGNATURE

Lessee The Mayor and Council of Rockville

Signature _____

Print Name _____

Title _____

ESCROW AGENT SIGNATURE

Escrow Agent **UMB BANK, n.a.**

Signature _____

Print Name _____

Title _____

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AMENDMENT TO ESCROW AGREEMENT

This Amendment to that certain Escrow Agreement (together with all Exhibits and this Amendment, the "Escrow Agreement") dated as of **November 4, 2025**, between **Cisco Systems Capital Corporation** (together with its successors and assigns, "Lessor"), **The Mayor and Council of Rockville** (together with its successors and assigns, "Lessee"), and **UMB Bank, N.A.** (together with its successors and assigns, "Escrow Agent"), is incorporated in and is hereby made a part of the Escrow Agreement.

Lessor and Lessee hereby agree that capitalized terms used herein and not otherwise defined herein shall have the terms assigned to such terms in the Escrow Agreement and that the following changes and additions are hereby made to the Agreement:

The parties, intending to be legally bound, agree that the Escrow Agreement shall be amended as follows:

1. Section 11 is amended to read: "This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Maryland."

Except as specifically set forth in this Amendment, all terms and conditions contained in the Escrow Agreement remain in full force and effect and are hereby ratified and confirmed.

LESSOR: **Cisco Systems Capital Corporation**

BY: **X**_____
AUTHORIZED SIGNATURE

BY:_____
PRINTED NAME AND TITLE

DATE:_____

LESSEE: **The Mayor and Council of Rockville**

BY: **X**_____
AUTHORIZED SIGNATURE

BY:_____
PRINTED NAME AND TITLE

DATE:_____

ESCROW AGENT: **UMB Bank, N.A.**

BY: **X**_____
AUTHORIZED SIGNATURE

BY:_____
PRINTED NAME AND TITLE

DATE:_____

INCUMBENCY CERTIFICATE

The undersigned, a duly authorized representative of The Mayor and Council of Rockville (hereinafter "Lessee"), in connection with the Escrow Agreement dated contemporaneously herewith by and among Cisco Systems Capital Corporation, and UMB Bank, n.a. (hereinafter the "Escrow Agreement"), HEREBY CERTIFIES that the persons whose names, titles and signatures appear below are duly qualified and acting representatives of Lessee on the date hereof. Each holds the office set forth beside his\her name, and the signature appearing opposite his\her name is the genuine signature of such representative. Each is authorized to act on behalf of Lessee with respect to all matters requiring the direction, consent or other action of Lessee as set forth in the Escrow Agreement. UMB Bank, n.a. is entitled to rely on this certification until receipt of written notice to the contrary.

NAME	TITLE	SIGNATURE

IN WITNESS WHEREOF, the undersigned has executed this Certificate for and on behalf of Lessee on this _____ day of _____, 20____.

LESSEE SIGNATURE

Lessee The Mayor and Council of Rockville

Signature _____

Print Name _____

Title _____

(THIS SIGNATURE IS TO BE EXECUTED BY A PERSON OTHER THAN THE PERSON OR PERSONS THAT SIGNED IN SECTION 3 ABOVE.)

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PAYMENT REQUEST AND ACCEPTANCE CERTIFICATE FORM

To: **UMB Bank, n.a.**
1010 Grand, 4th Floor
Kansas City, Missouri 64106

and Cisco Systems Capital Corporation
1111 Old Eagle School Road
Wayne, PA 19087

Re: The Mayor and Council of Rockville Equipment Acquisition Fund No. _____ established by the Escrow Agreement, dated as of November 4, 2025, (the "Escrow Agreement"), among Cisco Systems Capital Corporation ("Lessor"), The Mayor and Council of Rockville ("Lessee") and UMB Bank, n.a., as Escrow Agent (the "Escrow Agent")

Ladies and Gentlemen:

Escrow Agent is hereby requested to pay from the Acquisition Fund to the person or corporation designated below as Payee, the sum set forth below in payment of a portion or all of the cost of the acquisition of the equipment described below. The amount shown below is due and payable under the invoice of the Payee attached hereto with respect to the cost of the acquisition of the equipment and has not formed the basis of any prior request for payment. The equipment described below is part or all of the "Equipment" that is listed in the Lease Purchase Agreement (the "Agreement") described in the Escrow Agreement.

EQUIPMENT INFORMATION

Quantity	Serial Number	Item	Amount

PAYEE

Full Legal Name _____

Billing Address _____ Phone Number _____

City _____ State _____ Zip Code _____

Lessee hereby certifies and represents to and agrees with Lessor and Escrow Agent as follows:

1. The Equipment described above has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of said equipment as it deems necessary and appropriate and hereby acknowledges that it accepts said equipment for all purposes.
3. Lessee is currently maintaining the insurance coverage required by **Section 7.02** of the Agreement.
4. No event or condition that constitutes, or with notice or lapse of time or both would constitute, an Event of Default (as such term is defined in the Agreement) exists at the date hereof.

Dated: _____, 20____.

LESSEE SIGNATURE

Lessee The Mayor and Council of Rockville

Signature _____

Print Name _____

Title _____

LESSOR SIGNATURE

Lessor Cisco Systems Capital Corporation

Signature _____

Print Name _____

Title _____

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FINAL ACCEPTANCE CERTIFICATE

Date

THIS CERTIFICATE IS TO BE EXECUTED ONLY WHEN **ALL** EQUIPMENT HAS BEEN ACCEPTED.

The undersigned hereby certifies that the equipment described above, together with the equipment described in and accepted by Payment Request and Acceptance Certificates previously filed by Lessee with Escrow Agent and Lessor pursuant to the Escrow Agreement, constitutes all of the Equipment.

LESSEE SIGNATURE

Lessee The Mayor and Council of Rockville

Signature _____

Print Name _____

Title _____

22PFDOC365B

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BILLING INFORMATION

PLEASE COMPLETE THIS FORM AND RETURN WITH DOCUMENTS

In order for Cisco Systems Capital Corporation to properly bill and credit your account, it is necessary that you complete this form and return it with the signed documents.

Billing Name: The Mayor and Council of Rockville

If you would like your invoices emailed to you in place of regular mail, please provide an email address(es) below:

_____

_____

***YOUR INVOICES WILL BE EMAILED FROM INVOICEDELIVERY@PAYEREXPRESS.COM**
Subject line will read: Your Lease Direct Invoice is ready to view online!

Billing Address: _____

_____

Attention: _____

Telephone Number: _____

FEDERAL TAX ID#: _____

Lease/Contract Signer Name: _____ Date of Birth _____(only provide if requested)

SPECIAL INSTRUCTIONS

Do you require a Purchase Order Number on the invoice? **If yes, please provide PO#** _____. ❑ YES ❑ NO

Is a new purchase order required for each new fiscal period? ❑ YES ❑ NO

If yes, provide month/year PO expires _____

Are you sales tax exempt? **If yes, please attach a copy of exempt certificate or direct pay permit.** ❑ YES ❑ NO

Do you require any special information to establish a vendor number for Cisco Systems Capital Corporation? ❑ YES ❑ NO

If yes, please advise: _____

Additional Comments: _____

_____

CONTACT INFORMATION AND QUESTIONNAIRE FOR FORM 8038-G FILINGS
(required for all State and Local Government transactions)

Contact Name: _____

Title: _____

Contact Address: _____

Contact Telephone Number: _____

Email Address: _____

Written Tax Compliance Procedures

The IRS Form 8038-G asks specific questions about whether written procedures exist with regard to compliance with the federal tax requirements for tax-exempt obligations. Please answer the following questions to help us complete the form correctly prior to your signature. **Please note that your answers to these questions will not impact the terms or conditions of the subject transaction**:

1. Has the Lessee established written procedures designed to monitor compliance with federal tax restrictions for the term of the lease? Among other matters, the written procedures should identify a particular individual within Lessee's organization to monitor compliance with the federal tax requirements related to use of the financed assets and describe actions to be taken in the event failure to comply with federal tax restrictions is contemplated or discovered.

YES ❑ NO ❑ If YES, please attach/provide a copy.

Answer the following question only if proceeds of the current financing will be funded to an ESCROW Account.
The IRS Form 8038-G asks specific questions about written procedures to monitor the yield on the investment of gross proceeds of tax-exempt obligations and, as necessary, make payments of arbitrage rebate earned to the United States.

2. Has the Lessee established written procedures to monitor the yield on the investment of proceeds of the Lease on deposit in an escrow account or similar fund prior to being spent and to ensure that any positive arbitrage rebate earned is paid to the United States?

YES ❑ NO ❑ If YES, please attach/provide a copy.

If you have further questions, please consult your regular bond or legal counsel.

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Form **8038-G**
(Rev. October 2021)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Bonds

▶ **Under Internal Revenue Code section 149(e)**
▶ **See separate instructions.**
Caution: *If the issue price is under $100,000, use Form 8038-GC.*
▶ **Go to *www.irs.gov/F8038G* for instructions and the latest information.**

OMB No. 1545-0047

Part I Reporting Authority

Check box if **Amended Return** ▶ ☐

1 Issuer's name XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	**2** Issuer's employer identification number (EIN) XXXXXXXXXXXXX
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	**3b** Telephone number of other person shown on 3a XXXXXXXXXXXXXXXXXX
4 Number and street (or P.O. box if mail is not delivered to street address) XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX Room/suite XXXXXX	**5** Report number *(For IRS Use Only)* 3
6 City, town, or post office, state, and ZIP code XXXXXXXXXXXXXXXXXX XXXXXXXXXX	**7** Date of issue XXXXXXXXXXXXXXXXXXXXXX
8 Name of issue XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	**9** CUSIP number XXXXXXXXXXXXXXXXXXXXXX
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	**10b** Telephone number of officer or other employee shown on 10a XXXXXXXXXXXXXXXXXXXXXX

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.

11	Education	**11**	XXXXXXXXX XX
12	Health and hospital	**12**	XXXXXXXXX XX
13	Transportation	**13**	XXXXXXXXX XX
14	Public safety	**14**	XXXXXXXXX XX
15	Environment (including sewage bonds)	**15**	XXXXXXXXX XX
16	Housing	**16**	XXXXXXXXX XX
17	Utilities	**17**	XXXXXXXXX XX
18	Other. Describe ▶ XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	**18**	XXXXXXXXX XX
19a	If bonds are TANs or RANs, check only box 19a ▶ ☐		
b	If bonds are BANs, check only box 19b ▶ ☐		
20	If bonds are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	XXXXXXXXXX	$ XXXXXXXXXX XX	$ XXXXXXXXXX XX	XXXXXXXXXX years	XXXXXXXXXXXXXXX %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest	**22**	XXXXXXXXX XX
23	Issue price of entire issue (enter amount from line 21, column (b))	**23**	XXXXXXXXX XX
24	Proceeds used for bond issuance costs (including underwriters' discount)	**24**	XXXXXXXX XX
25	Proceeds used for credit enhancement	**25**	XXXXXXXX XX
26	Proceeds allocated to reasonably required reserve or replacement fund	**26**	XXXXXXXX XX
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	**27**	XXXXXXXX XX
28	Proceeds used to refund prior taxable bonds. Complete Part V	**28**	XXXXXXXX XX
29	Total (add lines 24 through 28)	**29**	XXXXXXXXX XX
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	**30**	XXXXXXXXX XX

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded ▶	XXXXXXXXXXX years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded ▶	XXXXXXXXXXX years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY) ▶	XXXXXXXXXXX
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

SAMPLE

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	XXXXXXXXXX XX
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	XXXXXXXXXX XX
b	Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) XXXXXXXXXXXXXX		
c	Enter the name of the GIC provider ▶ XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	XXXXXXXXXX XX
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:		
b	Enter the date of the master pool bond ▶ (MM/DD/YYYY) XXXXXXXXXXXXXXXXXXXX		
c	Enter the EIN of the issuer of the master pool bond ▶ XXXXXXXXXX		
d	Enter the name of the issuer of the master pool bond ▶ XXXXXXXXXXXXXXXXX		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐		
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐		
41a	If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:		
b	Name of hedge provider ▶ XXXXXXXXXXXXXXXXXXXXXXXXXX		
c	Type of hedge ▶ XXXXXXXXXXXXXXXXXXXXXXXXXXX		
d	Term of hedge ▶ XXXXXXXXXXXXXXXXXXXXXXXXXXX		
42	If the issuer has superintegrated the hedge, check box ▶ ☐		
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☐		
44	If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☐		
45a	If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶ XXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
b	Enter the date the official intent was adopted ▶ (MM/DD/YYYY) XXXXXXXXXXXXXXXXXXXXXXXXXXX		

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative — Date — XXXXXXXXXXXXXXXXXXXXXXXXXXX Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
XXXXXXXXXXXXXXXXXXXXXXXXXXX				XXXXXXXXXXX

Firm's name ▶ XXXXXXXXXXXXXXXXXXXXXXXXXXX — Firm's EIN ▶ XXXXXXXXXX

Firm's address ▶ XXXXXXXXXXXXXXXXXXXXXXXXXXX — Phone no. XXXXXXXXXXXXX

Form **8038-G** (Rev. 10-2021)

SAMPLE

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INSURANCE CERTIFICATE INSTRUCTIONS & CHECKLIST

Customer Name: The Mayor and Council of Rockville

Lease Number(s): 500-50707166

Please provide this checklist to your insurance agent to assist with obtaining copies of your Property and Liability Insurance certificates for the equipment listed below. Please also ask that all checklist items be provided to avoid any delays in processing. Thank you.

_____Property Insurance with Cisco Systems Capital Corporation and Its Assigns listed as Lender Loss Payee, at: 1111 Old Eagle School Road, Wayne, PA 19087

_____Liability Insurance with Cisco Systems Capital Corporation and Its Assigns listed as Certificate Holder, at: 1111 Old Eagle School Rd, Wayne, PA 19087

_____Policy Number

_____Certificate must be valid and have a future expiration date.

_____Property Insurance coverage in the amount corresponding to, at a minimum, the sum of all payments due under this contract, totaling $1,918,567.00.

_____Liability Insurance coverage in the amount of, at a minimum, $1,000,000.00.

_____Property Insurance certificate must include a description of the equipment/property being financed. All equipment under Lease Number: 500-50707166.

Please **email** copies of the insurance certificate(s) to Insurance@leasedirect.com or contact me with any questions at csc-sled-sales-support@cisco.com.

DSI Complete IT Solutions & Services
DISYS Solutions Inc. DSITECH.COM

DISYS Solutions Inc					Company:	City of Rockville					
44670 Cape Court, Suite 100					Contact:	Nicolas Obodo					
Ashburn, VA 20147					Quote:	CISCO17388E					
Phone: 888-286-3896					Date :	7/22/2025					
http://www.dsitech.com											
		INET 7 Years									

Line Number	Item Name	Description	Service Duration	Lead Time	Quantity	ListPrice	Extended ListPrice	Unit Price	Extended Price	Service Type	Part Category
AI											
2.0	**C9500X-60L4D-A**	Catalyst 9500 60x10/25/50G + 4x400G, Advantage	N/A	25 days	2	$67,571.18	$135,142.36	$21,622.78	$43,245.56		PRODUCT
2.0.1	CON-L14HR-C954SXU5	CX LEVEL 1 24X7X4 Catalyst 9500 60x25/50G + 4x400G, Advant	84 month(s)	N/A	2	$61,810.00	$123,620.00	$26,578.30	$53,156.60	PRIMARYSERVICE	SERVICE
2.1	C9500X-DNA-60L4D-A	C9500X DNA Advantage, Term License	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.1.0.1	CON-L1SWT-C955KX9D	CX LEVEL 1 SW SUB C9500X DNA Advantage, Term License	84 month(s)	N/A	2	$4,984.00	$9,968.00	$2,143.12	$4,286.24	PRIMARYSERVICE	SERVICE
2.1.1	C9500X-DNA-A-7Y	DNA Advantage 7 Year License	84 month(s)	N/A	2	$33,404.67	$66,809.34	$15,032.10	$30,064.20		SUBSCRIPTION
2.2	C9K-PWR-1500WAC	1500W AC Power Supply	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.3	C9K-PWR-1500WAC/2	1500W AC Power Supply	N/A	25 days	2	$3,537.60	$7,075.20	$1,167.41	$2,334.82		PRODUCT
2.4	PWR-CAB-AC-USA	Power Cord for AC V2 Power Module (USA)	N/A	42 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.5	C9500X-NW-A	C9500X Network Stack, Advantage	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.6	S9500UK9-1712	Cisco Catalyst 9500 XE 17.12 UNIVERSAL	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.7	C9K-F3-SSD-240GB	Catalyst 9500X Series 240GB SSD Storage	N/A	25 days	2	$3,226.05	$6,452.10	$1,064.60	$2,129.20		PRODUCT
2.8	C9500X-FAN-1U-R	Catalyst 9500X front to back (port-side intake) cooling Fan	N/A	25 days	12	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.9	C9K-OPTICS-TOOL	Optics extraction tool for C9000 Switches	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.10	C9500X-RFID	RFID Selected	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
2.11	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.0	**C9350-48HX**	Cisco C9350 48-port 10G-mGig with 90W UPOE+	N/A	98 days	1	$18,542.25	$18,542.25	$6,118.94	$6,118.94		PRODUCT
3.0.1	CON-RO4-C935048H	RMA UPGRADE 24X7X4 Cisco C9350 48-port	84 month(s)	0 days	1	$7,434.00	$7,434.00	$3,196.62	$3,196.62	PRIMARYSERVICE	SERVICE
3.1	PWR-C2-1600WAC-I	1600W AC 80+ Titanium Port-Inlet Config 2Power Supply	N/A	98 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.2	PWR-C2-1600WAC-I	1600W AC 80+ Titanium Port-Inlet Config 2Power Supply	N/A	98 days	1	$2,512.50	$2,512.50	$829.13	$829.13		PRODUCT
3.3	CAB-C15-CBN	Cabinet Jumper Power Cord, 250 VAC 13A, C14-C15 Connectors	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.4	C9350-NM-8Y	Cisco C9350 8 x 25G/10G/1G or 4x 50G SFP56 network module	N/A	98 days	1	$3,316.50	$3,316.50	$1,094.45	$1,094.45		PRODUCT
3.5	SC9350UK9-1718	Cisco C9350 IOS XE 17.18 K9 Universal Software Image	N/A	21 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.6	SSD-240G	Cisco pluggable USB3.0 SSD storage	N/A	25 days	1	$1,774.33	$1,774.33	$585.53	$585.53		PRODUCT
3.7	C9350-RFID	RFID Selected	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.8	C9350-FAN-I	Cisco 9350 Port Inlet Fan Module	N/A	98 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.9	C9K-ACC-RBFT	RUBBER FEET FOR TABLE TOP SETUP 9200 and 9300	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.10	C9K-ACC-SCR-4	12-24 and 10-32 SCREWS FOR RACK INSTALLATION, QTY 4	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.11	CAB-GUIDE-1RU	1RU CABLE MANAGEMENT GUIDES 9200 and 9300	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.12	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.13	C9350-STACK-NONE	No Stack Cable Selected	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
3.14	C9350-SPWR-NONE	No Stack Power Cable Selected	N/A	25 days	1	$0.00	$0.00	$0.00	$0.00		PRODUCT
4.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	8	$160.81	$1,286.48	$53.07	$424.56		PRODUCT
5.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	4	$4,014.98	$16,059.92	$1,324.94	$5,299.76		PRODUCT
6.0	**SFP-10G-LR-S=**	10GBASE-LR SFP Module, Enterprise-Class	N/A	42 days	25	$2,458.75	$61,468.75	$811.39	$20,284.75		PRODUCT
Police											
7.0	**C9350-48HX**	Cisco C9350 48-port 10G-mGig with 90W UPOE+	N/A	98 days	3	$18,542.25	$55,626.75	$6,118.94	$18,356.82		PRODUCT
7.0.1	CON-RO4-C935048H	RMA UPGRADE 24X7X4 Cisco C9350 48-port	84 month(s)	0 days	3	$7,434.00	$22,302.00	$3,196.62	$9,589.86	PRIMARYSERVICE	SERVICE
7.1	PWR-C2-1600WAC-I	1600W AC 80+ Titanium Port-Inlet Config 2Power Supply	N/A	98 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.2	PWR-C2-1600WAC-I	1600W AC 80+ Titanium Port-Inlet Config 2Power Supply	N/A	98 days	3	$2,512.50	$7,537.50	$829.13	$2,487.39		PRODUCT

Line Number	Item Name	Description	Service Duration	Lead Time	Quantity	ListPrice	Extended ListPrice	Unit Price	Extended Price	Service Type	Part Category
7.3	CAB-C15-CBN	Cabinet Jumper Power Cord, 250 VAC 13A, C14-C15 Connectors	N/A	25 days	6	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.4	C9350-NM-8Y	Cisco C9350 8 x 25G/10G/1G or 4x 50G SFP56 network module	N/A	98 days	3	$3,316.50	$9,949.50	$1,094.45	$3,283.35		PRODUCT
7.5	STACK-T1A-50CM	50CM Type 1 Stacking Cable	N/A	98 days	3	$130.65	$391.95	$43.11	$129.33		PRODUCT
7.6	CAB-SPWR-35CM	Stack Power Cable 35 CM	N/A	98 days	3	$125.63	$376.89	$41.46	$124.38		PRODUCT
7.7	SC9350UK9-1718	Cisco C9350 IOS XE 17.18 K9 Universal Software Image	N/A	21 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.8	SSD-240G	Cisco pluggable USB3.0 SSD storage	N/A	25 days	3	$1,774.33	$5,322.99	$585.53	$1,756.59		PRODUCT
7.9	C9350-RFID	RFID Selected	N/A	25 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.10	C9350-FAN-I	Cisco 9350 Port Inlet Fan Module	N/A	98 days	9	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.11	C9K-ACC-RBFT	RUBBER FEET FOR TABLE TOP SETUP 9200 and 9300	N/A	25 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.12	C9K-ACC-SCR-4	12-24 and 10-32 SCREWS FOR RACK INSTALLATION, QTY 4	N/A	25 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.13	CAB-GUIDE-1RU	1RU CABLE MANAGEMENT GUIDES 9200 and 9300	N/A	25 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
7.14	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	3	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.0	**C9500X-60L4D-A**	Catalyst 9500 60x10/25/50G + 4x400G, Advantage	N/A	25 days	2	$67,571.18	$135,142.36	$22,298.49	$44,596.98		PRODUCT
8.0.1	CON-L14HR-C954SXU5	CX LEVEL 1 24X7X4 Catalyst 9500 60x25/50G + 4x400G, Advant	84 month(s)	N/A	2	$61,810.00	$123,620.00	$26,578.30	$53,156.60	PRIMARYSERVICE	SERVICE
8.1	C9500X-DNA-60L4D-A	C9500X DNA Advantage, Term License	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.1.0.1	CON-L1SWT-C955KX9D	CX LEVEL 1 SW SUB C9500X DNA Advantage, Term License	84 month(s)	N/A	2	$4,984.00	$9,968.00	$2,143.12	$4,286.24	PRIMARYSERVICE	SERVICE
8.1.1	C9500X-DNA-A-7Y	DNA Advantage 7 Year License	84 month(s)	N/A	2	$33,404.67	$66,809.34	$15,032.10	$30,064.20		SUBSCRIPTION
8.2	C9K-PWR-1500WAC	1500W AC Power Supply	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.3	C9K-PWR-1500WAC/2	1500W AC Power Supply	N/A	25 days	2	$3,537.60	$7,075.20	$1,167.41	$2,334.82		PRODUCT
8.4	PWR-CAB-AC-USA	Power Cord for AC V2 Power Module (USA)	N/A	42 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.5	C9500X-NW-A	C9500X Network Stack, Advantage	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.6	S9500UK9-1712	Cisco Catalyst 9500 XE 17.12 UNIVERSAL	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.7	C9K-F3-SSD-240GB	Catalyst 9500X Series 240GB SSD Storage	N/A	25 days	2	$3,226.05	$6,452.10	$1,064.60	$2,129.20		PRODUCT
8.8	C9500X-FAN-1U-R	Catalyst 9500X front to back (port-side intake) cooling Fan	N/A	25 days	12	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.9	C9K-OPTICS-TOOL	Optics extraction tool for C9000 Switches	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.10	C9500X-RFID	RFID Selected	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
8.11	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
9.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	5	$4,014.98	$20,074.90	$1,324.94	$6,624.70		PRODUCT
10.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	8	$160.81	$1,286.48	$53.07	$424.56		PRODUCT
Senior Cent											
11.0	**C9500X-60L4D-A**	Catalyst 9500 60x10/25/50G + 4x400G, Advantage	N/A	25 days	2	$67,571.18	$135,142.36	$22,298.49	$44,596.98		PRODUCT
11.0.1	CON-L14HR-C954SXU5	CX LEVEL 1 24X7X4 Catalyst 9500 60x25/50G + 4x400G, Advant	84 month(s)	N/A	2	$61,810.00	$123,620.00	$26,578.30	$53,156.60	PRIMARYSERVICE	SERVICE
11.1	C9500X-DNA-60L4D-A	C9500X DNA Advantage, Term License	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.1.0.1	CON-L1SWT-C955KX9D	CX LEVEL 1 SW SUB C9500X DNA Advantage, Term License	84 month(s)	N/A	2	$4,984.00	$9,968.00	$2,143.12	$4,286.24	PRIMARYSERVICE	SERVICE
11.1.1	C9500X-DNA-A-7Y	DNA Advantage 7 Year License	84 month(s)	N/A	2	$33,404.67	$66,809.34	$15,032.10	$30,064.20		SUBSCRIPTION
11.2	C9K-PWR-1500WAC	1500W AC Power Supply	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.3	C9K-PWR-1500WAC/2	1500W AC Power Supply	N/A	25 days	2	$3,537.60	$7,075.20	$1,167.41	$2,334.82		PRODUCT
11.4	PWR-CAB-AC-USA	Power Cord for AC V2 Power Module (USA)	N/A	42 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.5	C9500X-NW-A	C9500X Network Stack, Advantage	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.6	S9500UK9-1712	Cisco Catalyst 9500 XE 17.12 UNIVERSAL	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.7	C9K-F3-SSD-240GB	Catalyst 9500X Series 240GB SSD Storage	N/A	25 days	2	$3,226.05	$6,452.10	$1,064.60	$2,129.20		PRODUCT
11.8	C9500X-FAN-1U-R	Catalyst 9500X front to back (port-side intake) cooling Fan	N/A	25 days	12	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.9	C9K-OPTICS-TOOL	Optics extraction tool for C9000 Switches	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.10	C9500X-RFID	RFID Selected	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
11.11	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
12.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	6	$160.81	$964.86	$53.07	$318.42		PRODUCT
13.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	5	$4,014.98	$20,074.90	$1,324.94	$6,624.70		PRODUCT
Civic Center											
14.0	**C9500X-60L4D-A**	Catalyst 9500 60x10/25/50G + 4x400G, Advantage	N/A	25 days	2	$67,571.18	$135,142.36	$22,298.49	$44,596.98		PRODUCT
14.0.1	CON-L14HR-C954SXU5	CX LEVEL 1 24X7X4 Catalyst 9500 60x25/50G + 4x400G, Advant	84 month(s)	N/A	2	$61,810.00	$123,620.00	$26,578.30	$53,156.60	PRIMARYSERVICE	SERVICE

Line Number	Item Name	Description	Service Duration	Lead Time	Quantity	ListPrice	Extended ListPrice	Unit Price	Extended Price	Service Type	Part Category
14.1	C9500X-DNA-60L4D-A	C9500X DNA Advantage, Term License	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.1.0.1	CON-L1SWT-C955KX9D	CX LEVEL 1 SW SUB C9500X DNA Advantage, Term License	84 month(s)	N/A	2	$4,984.00	$9,968.00	$2,143.12	$4,286.24	PRIMARYSERVICE	SERVICE
14.1.1	C9500X-DNA-A-7Y	DNA Advantage 7 Year License	84 month(s)	N/A	2	$33,404.67	$66,809.34	$15,032.10	$30,064.20		SUBSCRIPTION
14.2	C9K-PWR-1500WAC	1500W AC Power Supply	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.3	C9K-PWR-1500WAC/2	1500W AC Power Supply	N/A	25 days	2	$3,537.60	$7,075.20	$1,167.41	$2,334.82		PRODUCT
14.4	PWR-CAB-AC-USA	Power Cord for AC V2 Power Module (USA)	N/A	42 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.5	C9500X-NW-A	C9500X Network Stack, Advantage	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.6	S9500UK9-1712	Cisco Catalyst 9500 XE 17.12 UNIVERSAL	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.7	C9K-F3-SSD-240GB	Catalyst 9500X Series 240GB SSD Storage	N/A	25 days	2	$3,226.05	$6,452.10	$1,064.60	$2,129.20		PRODUCT
14.8	C9500X-FAN-1U-R	Catalyst 9500X front to back (port-side intake) cooling Fan	N/A	25 days	12	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.9	C9K-OPTICS-TOOL	Optics extraction tool for C9000 Switches	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.10	C9500X-RFID	RFID Selected	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
14.11	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
15.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	6	$160.81	$964.86	$53.07	$318.42		PRODUCT
16.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	4	$4,014.98	$16,059.92	$1,324.94	$5,299.76		PRODUCT
City Hall											
17.0	**QSFP-100G-CU5M=**	100GBASE-CR4 Passive Copper Cable, 5m	N/A	25 days	2	$645.44	$1,290.88	$213.00	$426.00		PRODUCT
18.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	2	$160.81	$321.62	$53.07	$106.14		PRODUCT
19.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	7	$4,014.98	$28,104.86	$1,324.94	$9,274.58		PRODUCT
20.0	**C9610R**	Cisco C9610 Series Smart Switch Chassis	N/A	91 days	2	$40,200.00	$80,400.00	$13,266.00	$26,532.00		PRODUCT
20.0.1	CON-RO4-C9610R	RMA UPGRADE 24X7X4 Cisco C9610 Series S	84 month(s)	N/A	2	$96,614.00	$193,228.00	$41,544.02	$83,088.04	PRIMARYSERVICE	SERVICE
20.1	SC9610UK9-1718	Cisco C9610 IOS XE 17.18 K9 Universal Software Image	N/A	21 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.2	CAB-CONSOLE-USB-C	Console Cable USB-C type for C1k and C9k Switches	N/A	25 days	2	$118.29	$236.58	$39.04	$78.08		PRODUCT
20.3	C9610-LC-BLANK	Cisco C9610 Series 10 slot chassis linecard Blank	N/A	25 days	10	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.4	C9610-RFID	Cisco C9610 Series RFID	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.5	C9610-NEBS-KIT	Cisco C9610 Series 10 slot chassis NEBS Kit	N/A	25 days	2	$2,512.50	$5,025.00	$829.13	$1,658.26		PRODUCT
20.6	C9610-RFID-C	Cisco C9610 Series linecard RFID	N/A	25 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.7	C9610-SUP-3	Cisco C9610 Series Supervisor 3 Module	N/A	91 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.8	C9610-SSD-960G-V1	Cisco C9610 Series 10 slot 960GB SSD Storage	N/A	25 days	2	$2,010.00	$4,020.00	$663.30	$1,326.60		PRODUCT
20.9	C9610-SUP-3/2	Cisco C9610 Series Redundant Supervisor 3 Module	N/A	84 days	2	$60,802.50	$121,605.00	$20,064.83	$40,129.66		PRODUCT
20.10	C9610-SSD-960G-V1	Cisco C9610 Series 10 slot 960GB SSD Storage	N/A	25 days	2	$2,010.00	$4,020.00	$663.30	$1,326.60		PRODUCT
20.11	C9600-PWR-3KWAC	Cisco Catalyst 9600 Series 3000W AC Power Supply	N/A	25 days	16	$7,437.00	$118,992.00	$2,454.21	$39,267.36		PRODUCT
20.12	CAB-C19-CBN	Cabinet Jumper Power Cord, 250 VAC 16A, C20-C19 Connectors	N/A	25 days	16	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.13	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.14	C9600-LC-48TX	Cisco Catalyst 9600 Series 48-Port Copper	N/A	25 days	2	$28,105.35	$56,210.70	$9,274.77	$18,549.54		PRODUCT
20.15	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.16	C9600X-LC-56YL4C	Cisco Catalyst 9600 Series 56-Port 10G/25G/50G, 4-Port 100G	N/A	42 days	2	$40,200.00	$80,400.00	$13,266.00	$26,532.00		PRODUCT
20.17	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
20.18	C9600X-LC-32CD	Cisco Catalyst 9600 Series 30-Port 100G,2-Port 400G	N/A	25 days	2	$44,220.00	$88,440.00	$14,592.60	$29,185.20		PRODUCT
20.19	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
21.0	**CISCO-NETWORK-SUB**	Cisco Networking Subscription	84 month(s)	N/A	1	$0.00	$0.00	$0.00	$0.00		SUBSCRIPTION
21.1	SVS-L0SPT-CN	Cisco Network Product Support	84 month(s)	3 days	1	$0.00	$0.00	$0.00	$0.00		SERVICE
21.2	LIC-CS-CO-MO-A	Cisco Switching Advantage License Core Modular	84 month(s)	6 days	2	$128,333.52	$256,667.04	$57,750.08	$115,500.16		LICENSE
21.3	LIC-CS-CO-MO-A	Cisco Switching Advantage License Core Modular	84 month(s)	6 days	2	$128,333.52	$256,667.04	$57,750.08	$115,500.16		LICENSE
21.4	LIC-CS-AC1-L-E	Cisco Switching Essentials Tier 1, Large	84 month(s)	6 days	3	$5,880.00	$17,591.00	$3,057.60	$9,172.80		LICENSE
21.5	LIC-CS-AC1-L-E	Cisco Switching Essentials Tier 1, Large	84 month(s)	6 days	1	$5,880.00	$5,863.67	$3,057.60	$3,057.60		LICENSE
Gude-Taft											
22.0	**QSFP-100G-CU5M=**	100GBASE-CR4 Passive Copper Cable, 5m	N/A	25 days	2	$645.44	$1,290.88	$213.00	$426.00		PRODUCT

Line Number	Item Name	Description	Service Duration	Lead Time	Quantity	ListPrice	Extended ListPrice	Unit Price	Extended Price	Service Type	Part Category
23.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	25 days	2	$160.81	$321.62	$53.07	$106.14		PRODUCT
24.0	**QSFP-100G-LR-S=**	100G QSFP28 100G-LR, 10km SMF, duplex, LC Connector	N/A	182 days	5	$4,014.98	$20,074.90	$1,324.94	$6,624.70		PRODUCT
25.0	**C9610R**	Cisco C9610 Series Smart Switch Chassis	N/A	91 days	2	$40,200.00	$80,400.00	$13,266.00	$26,532.00		PRODUCT
25.0.1	CON-RO4-C9610R	RMA UPGRADE 24X7X4 Cisco C9610 Series S	84 month(s)	N/A	2	$96,614.00	$193,228.00	$41,544.02	$83,088.04	PRIMARYSERVICE	SERVICE
25.1	SC9610UK9-1718	Cisco C9610 IOS XE 17.18 K9 Universal Software Image	N/A	21 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.2	CAB-CONSOLE-USB-C	Console Cable USB-C type for C1k and C9k Switches	N/A	25 days	2	$118.29	$236.58	$39.04	$78.08		PRODUCT
25.3	C9610-LC-BLANK	Cisco C9610 Series 10 slot chassis linecard Blank	N/A	25 days	10	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.4	C9610-RFID	Cisco C9610 Series RFID	N/A	25 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.5	C9610-NEBS-KIT	Cisco C9610 Series 10 slot chassis NEBS Kit	N/A	25 days	2	$2,512.50	$5,025.00	$829.13	$1,658.26		PRODUCT
25.6	C9610-RFID-C	Cisco C9610 Series linecard RFID	N/A	25 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.7	C9610-SUP-3	Cisco C9610 Series Supervisor 3 Module	N/A	91 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.8	C9610-SSD-960G-V1	Cisco C9610 Series 10 slot 960GB SSD Storage	N/A	25 days	2	$2,010.00	$4,020.00	$663.30	$1,326.60		PRODUCT
25.9	C9610-SUP-3/2	Cisco C9610 Series Redundant Supervisor 3 Module	N/A	84 days	2	$60,802.50	$121,605.00	$20,064.83	$40,129.66		PRODUCT
25.10	C9610-SSD-960G-V1	Cisco C9610 Series 10 slot 960GB SSD Storage	N/A	25 days	2	$2,010.00	$4,020.00	$663.30	$1,326.60		PRODUCT
25.11	C9600-PWR-3KWAC	Cisco Catalyst 9600 Series 3000W AC Power Supply	N/A	25 days	16	$7,437.00	$118,992.00	$2,454.21	$39,267.36		PRODUCT
25.12	CAB-C19-CBN	Cabinet Jumper Power Cord, 250 VAC 16A, C20-C19 Connectors	N/A	25 days	16	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.13	NETWORK-PNP-LIC	Network Plug-n-Play Connect for zero-touch device deployment	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.14	C9600-LC-48TX	Cisco Catalyst 9600 Series 48-Port Copper	N/A	25 days	2	$28,105.35	$56,210.70	$9,274.77	$18,549.54		PRODUCT
25.15	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.16	C9600X-LC-56YL4C	Cisco Catalyst 9600 Series 56-Port 10G/25G/50G, 4-Port 100G	N/A	42 days	2	$40,200.00	$80,400.00	$13,266.00	$26,532.00		PRODUCT
25.17	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
25.18	C9600X-LC-32CD	Cisco Catalyst 9600 Series 30-Port 100G,2-Port 400G	N/A	25 days	2	$44,220.00	$88,440.00	$14,592.60	$29,185.20		PRODUCT
25.19	C9610-LC-ADPT	Cisco 9610 Series Line Card Adapter	N/A	84 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
Meraki Licer											
26.0	**LIC-MR-ADV-1Y**	Meraki MR Advanced License and Support, 1YR	N/A	3 days	200	$313.59	$62,718.00	$0.00	$0.00		PRODUCT
27.0	**LIC-MS225-48FP-1YR**	Meraki MS225-48FP Enterprise License and Support, 1YR	N/A	3 days	2	$577.01	$1,154.02	$0.00	$0.00		PRODUCT
28.0	**LIC-MS390-24E-1Y**	Meraki MS390 24-port Enterprise License and Support, 1 Year	N/A	3 days	2	$694.42	$1,388.84	$0.00	$0.00		PRODUCT
29.0	**LIC-MV-1YR**	Meraki MV Enterprise License and Support, 1YR	N/A	3 days	75	$330.15	$24,761.25	$0.00	$0.00		PRODUCT
30.0	**LIC-SME-1YR**	Cisco Meraki Systems Manager Enterprise Device License, 1YR	N/A	3 days	1500	$40.14	$60,210.00	$0.00	$0.00		PRODUCT
1.0	**TRN-CLC-000**	10 Training credit. Expires in 1 yr. Team Captain required	12 month(s)	N/A	12	$1,000.00	$12,000.00	$0.00	$0.00		PRODUCT
31.0	**QDD-400-CU3M=**	400G Passive Cable, 3m	N/A	25 days	8	$1,005.00	$8,040.00	$331.65	$2,653.20		PRODUCT
32.0	**QSFP-100G-AOC3M=**	100GBASE QSFP Active Optical Cable, 3m	N/A	25 days	8	$2,711.79	$21,694.32	$894.89	$7,159.12		PRODUCT
Engineering											
33.0	**Services-Senior**	Professional Engineering Services			1			$249,750.00	$249,750.00	SERVICES	ENGINEERING
Additional cables											
34.0	**SFP-H10GB-CU5M=**	10GBASE-CU SFP+ Cable 5 Meter	N/A	19 days	10	$192.73	$1,927.30	$63.60	$636.00		PRODUCT
35.0	**SFP-H25G-CU1M=**	25GBASE-CU SFP28 Cable 1 Meter	N/A	19 days	10	$157.28	$1,572.80	$51.90	$519.00		PRODUCT
36.0	**SFP-H25G-CU3M=**	25GBASE-CU SFP28 Cable 3 Meter	N/A	19 days	4	$160.81	$643.24	$53.07	$212.28		PRODUCT
37.0	**QSFP-100G-CU5M=**	100GBASE-CR4 Passive Copper Cable, 5m	N/A	19 days	12	$645.44	$7,745.28	$213.00	$2,556.00		PRODUCT
38.0	**SFP-10/25G-LR-S=**	10/25GBASE-LR SFP28 Module	N/A	19 days	4	$2,774.19	$11,096.76	$915.48	$3,661.92		PRODUCT
Nexus Dashboard and DNA appliance											
39.0	**ND-NODE-L4=**	Nexus Dashboard Node Spare	N/A	14 days	2	$60,300.00	$120,600.00	$19,899.00	$39,798.00		PRODUCT
39.0.1	CON-L1NCD-ND1NODEL	CX LEVEL 1 8X7NCD Nexus Dashboard Node	84 month(s)	N/A	2	$30,450.00	$60,900.00	$13,093.50	$26,187.00	PRIMARYSERVICE	SERVICE
39.1	ND-UNI-DK9-3.0	Nexus Dashboard Software Release 3.0	N/A	21 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT

Line Number	Item Name	Description	Service Duration	Lead Time	Quantity	ListPrice	Extended ListPrice	Unit Price	Extended Price	Service Type	Part Category
39.2	APIC-PSU1-1600W	APIC Cisco UCS 1600W AC Power Supply for Rack Server	N/A	14 days	2	$1,098.90	$2,197.80	$362.64	$725.28		PRODUCT
39.3	CAB-C13-CBN	Cabinet Jumper Power Cord, 250 VAC 10A, C14-C13 Connectors	N/A	21 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.4	APIC-PCIE-C25Q-04	Cisco APIC VIC 1455 Quad Port 10/25G SFP28 CNA PCIE	N/A	14 days	2	$2,544.84	$5,089.68	$839.80	$1,679.60		PRODUCT
39.5	DCN-OTHER	Select if this product will NOT be used for AI Applications	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.6	APIC-CPU-A7443P	AMD 2.8GHz 7443P 200W 24C/128MB Cache DDR4 3200MHz	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.7	CIMC-LATEST	IMC SW (Recommended) latest release for C-Series Servers.	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.8	APIC-M2-HWRAID	Cisco Boot optimized M.2 Raid controller	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.9	APIC-BBLKD	APIC SSD drive blanking panel	N/A	14 days	8	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.1	APIC-HD24TB10K4KN	2.4 TB 12G SAS 10K RPM SFF HDD (4K)	N/A	14 days	8	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.11	APIC-O-ID10GC	APIC Intel X710T2LOCPV3G1L 2x10GbE RJ45 OCP3.0 NIC	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.12	APIC-OCP3-KIT	APIC C2XX OCP 3.0 Interposer W/Mech Assy	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.13	APIC-MR-X32G2RW	32GB RDIMM DRx4 3200 (8Gb)	N/A	182 days	16	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.14	APIC-RAID-220M6	Cisco 12G SAS RAID Controller w/4GB FBWC (16 Drv) w/1U Brkt	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.15	APIC-TPM2-002B-C	Trusted Platform Module2.0 APIC server(FIPS 140-2 Compliant)	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.16	APIC-PSU1-1600W	APIC Cisco UCS 1600W AC Power Supply for Rack Server	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.17	APIC-M2-240G	240GB SATA M.2	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.18	APIC-SDB960OA1PM6	960GB 2.5in 15mm Solidigm S4620 Enter Perf 6G SATA 3X SSD	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
39.19	APIC-NVB1T6O1PM6	1.6TB 2.5in U.2 15mm Solidigm P5620 Hg Perf Hg End 3X NVMe	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
40.0	**FPR4200-PWR-AC=**	Cisco Secure Firewall 4200 Series AC Power Supply	N/A	21 days	2	$4,020.00	$8,040.00	$1,326.60	$2,653.20		PRODUCT
41.0	**C9300L-LIC=**	Electronic SW License for C9300L Switches	N/A	3 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
41.0.1	CON-ECMU-C930LLIC	SWSS UPGRADES Electronic SW License for C9300L Switch	84 month(s)	N/A	2	$0.00	$0.00	$0.00	$0.00	PRIMARYSERVICE	SERVICE
41.1	TE-EMBEDDED-T	Cisco ThousandEyes Enterprise Agent IBN Embedded	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
41.1.1	TE-EMBEDDED-T-7Y	ThousandEyes - Enterprise Agents	84 month(s)	N/A	2	$0.00	$0.00	$0.00	$0.00		SUBSCRIPTION
41.2	C9300L-24-E-A	24-port NW & Cisco DNA Ess to NW & Cisco DNA Adv Upgrade	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
41.2.1	C9300L-24-E-A-7	24-port NW & DNA Ess to NW & DNA Adv Upgrade License (7Y)	84 month(s)	N/A	2	$5,547.73	$11,095.46	$2,219.09	$4,438.18		SUBSCRIPTION
41.3	C9300L-NW-A-24	C9300L Network Advantage, 24-port license	N/A	14 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42	**DN3-HW-APL**	Cisco Catalyst Center Appliance (Gen 3) - 32 Core	N/A	13 days	2	$125,759.67	$251,519.34	$41,500.69	$83,001.38		PRODUCT
42.0.1	CON-L1NCD-DN3HBAPL	CX LEVEL 1 8X7NCD Cisco DNA Center Appliance (Gen 3) - 32	84 month(s)	N/A	2	$68,957.00	$137,914.00	$29,651.51	$59,303.02	PRIMARYSERVICE	SERVICE
42.1	DNA-SW-2.3.7	Cisco Catalyst Center SW 2.3.7	N/A	21 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.2	DN3-HW-APL-LIC	Cisco Catalyst Center Appliance License- 32 Core	N/A	21 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.3	NO-POWER-CORD	ECO friendly green option, no power cable will be shipped	N/A	14 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.4	DN3-CPU-I6326	Intel 6326 2.9GHz/185W 16C/24MB DDR4 3200MHz	N/A	35 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.5	DN3-MR-X32G2RW	32GB RDIMM DRx4 3200 (8Gb)	N/A	178 days	16	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.6	DN3-SD19TKA1X-EV	1.9TB 2.5 inch Enterprise Value 12G SAS SSD	N/A	35 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.7	DN3-RAID-220M6	Cisco 12G SAS RAID Controller w/4GB FBWC (16 Drv) w/1U Brkt	N/A	35 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.8	DN3-PSU1-2300W	Cisco UCS 2300W AC Power Supply for Rack Servers Titanium	N/A	35 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.9	DN3-GPURKIT-C220	GPU Riser Bracket assy kit C220 / C225 1U	N/A	35 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.1	DN3-TPM-002C	TPM 2.0, TCG, FIPS140-2, CC EAL4+ Certified, for M6 servers	N/A	35 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.11	DN3-SDB960SA1V	960GB 2.5in 6G SATA Enter Value 1X Samsung G1PM893A SSD	N/A	35 days	4	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.12	DN3-SDB1T9SA1V	1.9TB 2.5in 6G SATA Enter Value 1X Samsung G1PM893A SSD	N/A	35 days	12	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.13	DN3-P-I8Q25GF	Cisco-Intel E810XXVDA4L 4x25/10 GbE SFP28 PCIe NIC	N/A	35 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
42.14	DN3-P-I8D25GF	Cisco-Intel E810XXVDA2 2x25/10 GbE SFP28 PCIe NIC	N/A	35 days	2	$0.00	$0.00	$0.00	$0.00		PRODUCT
		QC162833899IL									
								Total	**$1,918,566.90**		

Quote prepared by:
Neeraj Gaba
DISYS Solutions Inc
Ph: 571-707-3609
Neeraj.Gaba@dsitech.com

MAYOR AND COUNCIL Meeting Date: December 8, 2025
Agenda Item Type: CONSENT
Department: RECREATION & PARKS
Responsible Staff: ERIC GRIESHABER

Subject

Award and Authorize the City Manager to Execute a Rider Agreement with ATC Corp., a Maryland corporation, in the amount not-to-exceed $500,000 annually for the initial term, with terms and pricing consistent with Baltimore County Contract SCON-10002601-1, for athletic court maintenance, repairs, replacement, and renovations, with the option to renew for three additional one-year terms consistent with renewals by Baltimore County.

Department

Recreation & Parks

Recommendation

Staff recommends that the Mayor and Council award and authorize the City Manager to execute a rider agreement for an amount not to exceed $500,000 per year with terms and pricing consistent with Baltimore County Contract SCON-10002601-1 for maintenance, repairs, replacement, and renovations of athletic court/multipurpose court services to ATC Corp. of Baltimore, Maryland, for a period of one (1) year through September 3, 2026, with the option to extend for three additional years through September 2, 2029.

Discussion

The contract will be utilized to maintain, repair, renovate and replace all types of athletic courts (basketball, tennis, pickleball, soccer courts, etc.) within various Parks and Facilities including asphalt surface overlays, resurfacing, new goals, new backboards, color coat, new playing lines, net posts and fencing repairs and replacements.

Mayor and Council History

The City previously awarded a contract to ATC Corp. as a rider under the Baltimore County contract #B-1607 in fiscal year 2022.

Procurement

Staff believes that this rider agreement is in the best interest of the city to utilize as the scope fits the city's need for athletic court maintenance, repairs, renovation, replacement and

resurfacing as well as unscheduled maintenance and safety repairs. The Baltimore County contract has multiple line items with estimated quantities larger than the city's and, as such, provide more competitive pricing based on higher volume

ATC Corp. is a Minority, Female, Disabled, or Veterans (MFD-V) business.

In accordance with Section 17-71 of the Rockville City Code, Cooperative Procurement; (b) The City may contract with any contractor who offers goods, services, insurance or construction on the same terms as provided other state or local governments or agencies thereof who have arrived at those terms through a competitive procurement procedure similar to the procedure used by the City.

In accordance with Section 17-39 of the Rockville City Code, Awarding Authority, (a) All contracts involving more than two hundred and fifty thousand dollars ($250,000.00) shall be awarded by the Council.

The draft Rider Agreement is provided as Attachment 1.
The Baltimore County Contract SCON-10002601-1 can be found at the following link:
https://www.swisstransfer.com/d/996ff686-4228-44dc-8b7a-dbab64bdb1e3

Fiscal Impact

Sufficient funding is available in Recreation and Parks, Administration Division and within the Asphalt/Concrete Improvements: FY26 – FY30 (RA26) capital improvement project to support this award. All future year funding is subject to Mayor and Council appropriation.

Next Steps

Upon the Mayor and Council approval, the Procurement Department will secure insurance, issue
the rider agreement and issue a Master Agreement to ATC Corporation for services consistent with the pricing in the Baltimore County Contract SCON-10002601-1.

Attachments

Attachment 1 - Rider Agreement RV-Baltimore ATC Corp 20251110 Final

CITY OF ROCKVILLE
RIDER AGREEMENT

This **CITY OF ROCKVILLE, MARYLAND RIDER AGREEMENT** (this "**Rider Agreement**") is, made this ___ day of _____, 2025 (the "**Effective Date**"), by and between **THE MAYOR AND COUNCIL OF ROCKVILLE**, a body politic and municipal corporation of the State of Maryland, acting through its City Manager (the "**Mayor and Council**" or the "**City**"), and **ATC CORP.**, a Maryland corporation formerly doing business as American Tennis Courts, Inc. (the "**Contractor**"). Individually, the Mayor and Council and the Contractor may each be referred to hereinafter as the "**Party**," or collectively as the "**Parties**."

RECITALS

1. **WHEREAS,** the Mayor and Council desire to procure, on behalf of the City of Rockville Department of Recreation and Parks (the "**Department**"), labor, materials, tools and equipment for athletic court maintenance and repair ("**Services**") which will enable the Department to, among other things, manage its athletic courts in Recreation and Parks facilities; and

2. **WHEREAS,** in accordance with Section 17-71(b) of the Rockville City Code, the City may enter into a contract to procure the Services from the Contractor without utilizing the City's formal solicitation process if (a) the Contractor has entered into a contract to provide the Services to "other state or local governments or agencies," (b) the other state or local government or agency arrived at the contract terms for the Services with the Contractor "through a competitive procurement procedure similar to the procedure used by the City," and (c) the City obtains the same contract terms the Contractor offered to the other state or local government or agency for the Services; and

3. **WHEREAS,** Baltimore County is a body corporate and politic of the State of Maryland ("**County**" or "**Baltimore County"**); and

4. **WHEREAS,** on or about April 6, 2024 the County issued a Request for Bids: B-10000231, Renovations, Tennis/Basketball Court ("**Baltimore RFQ**") to solicit quotes for the labor, materials, supervision, equipment, services, incidentals and related items to maintain and repair tennis and basketball courts; and on May 28, 2024, the Contractor submitted a bid in response to the Baltimore's RFQ agreeing to provide the County with the Services; and

5. **WHEREAS,** on September 3, 2024, Baltimore County entered Supplier Contract SCON-100002601, and on August 6, 2025 issued SCON-100002601-1 with the Contractor (the "**Baltimore Procurement Agreement**") attached hereto as **Exhibit A** and incorporated by this reference, pursuant to which the Contractor agreed to provide the County with the Services; and

6. **WHEREAS,** the City's Procurement Department has determined that the County's procurement procedure is similar to the competitive procurement procedure utilized by the City: and

7. **WHEREAS,** the Parties agree that (i) the terms and conditions of the Baltimore Procurement Agreement are modified by the specific modifications, if any, identified herein and on the attached **Exhibit B** and incorporated by this reference, and (ii) where the terms of this Rider Agreement vary from the terms and conditions of the Baltimore Procurement Agreement, the terms and conditions of this Rider Agreement shall prevail.

8. **WHEREAS**, the Contractor agrees to provide the Services to the City on the same terms and conditions as provided in the Baltimore Procurement Agreement, subject to the terms and conditions of this Rider Agreement.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the covenants, warranties and agreements of the Parties hereto, as are hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party hereto, the Parties hereby agree as follows:

OPERATIVE PROVISIONS

ARTICLE I. CONTRACTOR PROVISION OF GOODS AND/OR SERVICES

Section 1.01. Scope of Work. The Contractor shall, in the usual and customary manner consistent with the highest quality industry standards and in accordance with the terms and conditions of this Agreement, provide to the City those Services specified in the "**Scope of Work**" attached hereto as **Exhibit B** and incorporated by this reference.

Section 1.02. Project Administrators. The following staff members of the Departments are the City's designated "**Project Administrators**":

Mauricio (Moe) Daza, Parks and Facilities Development Coordinator
mdaza@rockvillemd.gov
240-314-8608

Eric Grieshabler, Sr. Construction Project Manager
egrieshaber@rockvillemd.gov
240-314-8609

It shall be the Contractor's responsibility to ensure that the applicable Project Administrator is kept informed on the progress of the Scope of Work for the Notice to Proceed submitted by that Project Administrator. The City Manager or authorized designee may modify the designated Project Administrators by notifying the Contractor in writing of any such modification.

Section 1.03. Notices to Proceed. When the City requires certain Services, the Contractor will provide those services pursuant to the terms and conditions of this Rider Agreement, upon request, on an as-needed basis, as follows:

(a) A Project Administrator will issue a request for services by providing the Contractor (i) the task needed and service required (ii) the location where the work will be performed and the Services provided, and (iii) a detailed preliminary timeline for the scope of work, subject to the terms of this Agreement.

(b) The Contractor will acknowledge the request via email within 48 hours of the date of request.

(c) The Contractor will respond in writing within 8 business days of the date of request by providing to the City a quote confirming the task needed and service required, location, timeline for performance and quote consistent with the fee schedule ("**Contractor Quote**") OR indicate the specific additional time needed to respond, and will provide a quote as described within that timeframe.

(d) Upon receipt and if acceptable, the Project Administrator will provide the Contractor with a City of Rockville Notice to Proceed ("**Notice to Proceed**") and attach the Contractor Quote. All changes including, without limitation, scope and timeline must be communicated to the Project Administrator and if acceptable confirmed by the supplemental Notice to Proceed.

(e) Any work performed outside the scope of a written Notice to Proceed is at Contractor's risk and faces the probability of delayed or denied payment.

(f) Any agreements or stipulations in a request for services or response that are contrary to the terms of this Agreement shall be void unless the Parties have expressly agreed in writing that such agreement shall supersede the terms of this Agreement.

ARTICLE II. CONTRACT TERM

Section 2.01. Contract Term. The term of this Rider Agreement shall begin on the Effective Date and shall expire on September 3, 2026. The County, at its sole discretion, may extend the term of the Baltimore Procurement Agreement for four (4), one-year terms. If the County exercises its option to extend the term of the Baltimore Procurement Agreement, the City may extend the term of this Rider Agreement in accordance with Baltimore's extension by notifying Contractor of such extension and confirmation of pricing in writing at least 60 days in advance and subject to Mayor and Council appropriation of adequate funds.

Section 2.02. Time of Essence. Time is of the essence in the performance of the Scope of Work.

ARTICLE III. COMPENSATION AND PAYMENT

Section 3.01. Compensation; Required Appropriation of Funds.

(a) In order to compensate the Contractor for its provision of Services, the Mayor and Council agrees to pay the Contractor, subject to any limitations set forth in this Rider Agreement, the amounts specified in the "**Compensation and Fee Schedule**" attached hereto as **Exhibit D** and incorporated herein by reference, which total amount, including reimbursements for actual expenses, shall not exceed **FIVE HUNDRED THOUSAND AND 00/100 DOLLARS ($500,000.00)** for the initial term of this Rider Agreement (the "**Contract Sum**"). If the term of this Rider Agreement is extended in accordance with Section 2.01, the annual maximum total compensation shall not exceed Five Hundred Thousand and 00/100 Dollars ($500,000.00) for each fiscal year the term of this Rider Agreement is extended, subject to appropriation by the Mayor and Council. Any work performed or expenses incurred for which payment would result in a total exceeding the Contract Sum shall be at no cost to the Mayor and Council.

(b) The Mayor and Council appropriates funds on a fiscal year basis; the City's fiscal year runs from July 1 through June 30. Funds have been appropriated for the first year of this Rider Agreement through the end of the fiscal year, June 30, 2026. All payments made under this Rider Agreement after June 30, 2026, are contingent upon appropriation and encumbrance of funds. If the Mayor and Council fails to approve an appropriation to fund this Rider Agreement for a subsequent fiscal year, this Rider Agreement shall terminate on the first day of that fiscal year without further cost to the City.

(c) This Rider Agreement does not guarantee any minimum level of purchases or any minimum amount of compensation.

Section 3.02. Manner and Method of Payment; Invoices.

(a) Manner and Method of Payment. The City shall pay the Contractor in accordance with the Compensation and Fee Schedule. The Contractor is not entitled to a total payment, including fees for expenses, that exceed the Contract Sum. The method of compensation is detailed in the Compensation and Fee Schedule, and may include (i) a lump sum payment upon completion and acceptance of Services, (ii) payment in accordance with specified tasks or the percentage of completion of the provision of the Services, (iii) payment for time and materials based upon the Contractor's rates as specified in the Compensation and Fee Schedule, provided that time estimates are provided for the performance of sub tasks, but not exceeding the Contract Sum, or (iv) such other methods as may be specified in the Compensation and Fee Schedule.

(b) Invoices.

(i) In accordance with the Compensation and Fee Schedule, the Contractor shall submit to the Contract Manager identified at section 3.02(b)(iii), in duplicate, for all work performed, tasks and deliverable completed, and expenses incurred. The invoice shall include a reference number and detailed charges for all necessary and actual expenses by the following

categories: labor (by sub-category), materials, equipment, supplies, and Subcontractor contracts. Subcontractor charges shall also be detailed by such categories.

(ii) The Contract Manager will independently review the invoices submitted by the Contractor to determine whether the work performed, tasks and deliverables completed, and expenses incurred for the provision of Services comply with the provisions of this Rider Agreement. Except as to any charges for work performed or expenses incurred by the Contractor which are disputed by the City, or as provided in Section 9.03, the City will use its best efforts to cause the Contractor to be paid within thirty (30) days of receipt the Contractor's correct and undisputed invoice. In the event any charges or expenses are disputed by the City, the original invoice shall be returned by the City to the Contractor for correction and resubmission.

(iii) All invoices shall be forwarded to the following address:

Eric Grieshaber
Recreation and Parks, Senior Construction Project Manager
City of Rockville
240-314-8700 (Main)
240-314-8609 (Direct)
240-314-8719 (Fax)
egrieshaber@rockvillemd.gov

(iv) Electronic Payment Option. The City's Vendor ACH Payment Program allows payments to be deposited directly into a designated financial institution account. Funds will be deposited into the account identified automatically and on time. There is no additional cost to participate. All transactions are conducted in a secure environment.

(v) Payment to Subcontractor. Within seven days after receipt of amounts paid by the City for work performed by a subcontractor under this Rider Agreement, the Contractor shall either: (A) pay the subcontractor for the proportionate share of the total payment received from the City attributable to the work performed by the subcontractor under this Rider Agreement; or (B) notify the City and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment and the reason for non-payment. In no event shall the City be liable for the Contractor's failure to pay a subcontractor. It is the Contractor's responsibility to ensure that no lien for work performed by the Contractor or subcontractor is placed on the City.

Section 3.03. Waiver. Payment to the Contractor for work performed and expenses incurred for the provision of Services pursuant to this Rider Agreement shall not be deemed to waive defects in the work performed by the Contractor.

Section 3.04. Errors and Omissions. The Contractor is solely responsible for costs, including, but not limited to, increases in the cost of providing the Services, arising from or caused by the Contractor's errors and omissions, as applicable, including, but not limited to, the costs of corrections of such errors and omissions, any change order markup costs, or costs arising from

delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

ARTICLE IV. COORDINATION OF WORK

Section 4.01. Representatives and Contractor Personnel. The following key personnel of the Contractor (the "**Key Personnel**") are hereby designated as being the principals and representatives of the Contractor, authorized to act on its behalf with respect to the work related to the provision of the Services and make all decisions in connection therewith.

Nick Rouhana, Vice President

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing personnel were a substantial inducement for the City to enter into this Rider Agreement. Therefore, the foregoing Key Personnel shall be responsible during the Term of this Rider Agreement for directing all activities of the Contractor and devoting sufficient time to personally supervising the work hereunder.

Section 4.02. Status of Contractor. The Contractor shall have no authority to bind the officials, officers, employees or agents of the City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against the City, whether by contract or otherwise, unless such authority is expressly conferred under this Rider Agreement or is otherwise expressly conferred in writing by the City Manager. The Contractor shall not at any time or in any manner represent that the Contractor or any of the Contractor's officers, employees, agents, or subcontractors, if any, are in any manner officials, officers, employees or agents of the City. Neither the Contractor, nor any of the Contractor's officers, employees, agents, or subcontractors, if any, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to the City's employees. The Contractor expressly waives any claim the Contractor may have to any such rights.

Section 4.03. Independent Contractor. Neither the City, nor any of its officials, officers, employees or agents shall (i) have control over the manner, mode or means by which the Contractor, its employees, agents, or subcontractors perform the work related to the provision of the Services, except as otherwise set forth herein; or (ii) have a voice in the selection, discharge, supervision or control of the Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. The Contractor shall perform all services required herein as an independent contractor of the City and shall always remain as to the City a wholly independent contractor with only such obligations as are consistent with that role. The Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of the City. The City shall not in any way or for any purpose become or be deemed to be a partner of the Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with the Contractor.

Section 4.04. Intentionally Omitted.

ARTICLE V. CONTRACTOR COVENANTS AND OBLIGATIONS

Section 5.01. Contractor Qualifications. The Contractor covenants that it, its employees, agents and subcontractors, if any, have and shall maintain during the term of this Rider Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform Scope of Work related to the provision of the Services.

Section 5.02. Standard of Care. The Contractor covenants that it shall follow the highest professional standards in performing the work related to the provision of the Services required hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Rider Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

Section 5.03. Compliance with Law. The Contractor covenants that it shall keep itself informed concerning and shall perform all Services in accordance with all ordinances, resolutions, rules, and regulations of the City and any applicable Federal, State or local governmental entity having jurisdiction in effect at the time services are rendered and the Scope of Work performed.

Section 5.04. Licenses, Permits, Fees and Assessments. The Contractor covenants that it shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the Scope of Work required by this Rider Agreement. The Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the Scope of Work required by this Rider Agreement, and shall indemnify, defend and hold harmless the City, its officers, employees or agents of the City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against the City hereunder.

Section 5.05. Conflict of Interest. The Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of the City or which would in any way hinder the Contractor's performance of work related to the provision of the Services. The Contractor further covenants that in the provision of the Services, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor, if any, without the express written consent of the City Manager. The Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the City in the performance of this Rider Agreement. The Contractor further covenants that, in the performance of this Rider Agreement, it will not employ subcontractors or other persons or parties having such an interest. The Contractor certifies that no person who has or will have any financial interest under this Rider Agreement is a member, officer or employee of the City; this provision will be interpreted in accordance with the applicable provisions of the Rockville City Code, as amended from time to time. The Contractor agrees to notify the City Manager or designee if any conflict arises.

Section 5.06. Compliance with ADA. The Contractor covenants and agrees that pursuant to the Americans with Disabilities Act of 1990, as amended (the "**ADA**"), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor or subcontractor, are required to be accessible to the disabled public. The Contractor will perform the Scope of Work specified in this Rider Agreement in a manner that complies with the ADA and any other applicable federal, state and local disability rights laws and regulations, as amended from time to time. The Contractor will not discriminate against persons with disabilities in the performance of the Scope of Work for the provision of services, benefits or activities provided under this Rider Agreement.

ARTICLE VI. RECORDS, REPORTS, AND RELEASE OF INFORMATION

Section 6.01. Records. The Contractor shall keep, and require subcontractors, if any, to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, records, reports, studies, documents or other information relating to the disbursements charged to City and services performed hereunder (the "**Books and Records**"), as shall be necessary to perform the work related to the provision of the Services required by this Rider Agreement and enable the Contract Administrator to evaluate the performance of such Services. All such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The City Manager and designee shall have full and free access to such Books and Records at all times during normal business hours of the City of Rockville, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the Scope of Work hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of the Contractor's business, custody of the Books and Records may be given to City, and access shall be provided by the Contractor's successor in interest.

Section 6.02. Reports. The Contractor shall periodically prepare and submit to the City Manager or designee such reports concerning the performance related to the provision of the Services as the City Manager or designee shall require. The Contractor hereby acknowledges that the cost of work and services to be performed pursuant to this Rider Agreement is a priority for the City. For this reason, the Contractor agrees that if the Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if the Contractor is providing design services, the cost of the project being designed, the Contractor shall promptly notify the Contract Administrator of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if the Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

Section 6.03. Intentionally Omitted.

Section 6.04. Intentionally Omitted.

Section 6.05. Confidentiality and Release of Information.

(a) All information gained or work product produced by the Contractor in performance of this Rider Agreement shall be considered confidential, unless such information is in the public domain or already known to the Contractor. The Contractor shall not release or disclose any such information or work product to persons or entities other than the City without prior written authorization from the Contract Administrator.

(b) The Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or designee or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Rider Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided the Contractor gives City notice of such court order or subpoena.

(c) If the Contractor, or any officer, employee, agent or subcontractor of the Contractor, provides any information or work product in violation of this Rider Agreement, then the City shall have the right to reimbursement and indemnity from the Contractor for any damages, costs and fees, including attorneys' fees, caused by or incurred because of the Contractor's conduct.

(d) The Contractor shall promptly notify the City should the Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Rider Agreement and the work performed there under. The City retains the right, but has no obligation, to represent the Contractor or be present at any deposition, hearing or similar proceeding. The Contractor agrees to cooperate fully with the City and to provide the City with the opportunity to review any response to discovery requests provided by the Contractor. However, this right to review any such response does not imply or mean the right by the City to control, direct, or rewrite said response.

ARTICLE VII. INSURANCE AND INDEMNIFICATION

Section 7.01. Insurance Requirement.

(a) The Contractor shall be required to obtain and maintain, at its sole cost and expense, in a form and content satisfactory to the Risk Manager for the City of Rockville (the "**Risk Manager**") during the entire term of this Rider Agreement including any extensions thereof, the insurance coverages described in **Exhibit E**, entitled "**Insurance Requirements**", which Insurance Requirements shall cover the Mayor and Council, its appointed officers, and employees and agents of the City of Rockville.

(b) In the event the Contractor subcontracts any portion of the Scope of Work hereunder, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 7.01, and such certificates and endorsements shall be provided to the Risk Manager.

Section 7.02. Indemnification. To the full extent permitted by law, the Contractor agrees to indemnify, defend and hold harmless the Mayor and Council and its appointed officers, employees and agents ("**Indemnified Parties**") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "**Claims or Liabilities**") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of the Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which the Contractor is legally liable ("**Indemnors**"), or arising from the Contractor's reckless or willful misconduct, or arising from the Contractor's Indemnors' negligent performance of or failure to perform any term, provision, covenant or condition of this Rider Agreement, and in connection therewith:

(a) The Contractor will defend any action or actions filed in connection with any of said Claims or Liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(b) The Contractor will promptly pay any judgment rendered against the Mayor and Council, its appointed officers, agents or employees for any such Claims or Liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of the Contractor hereunder; and the Contractor agrees to save and hold the Mayor and Council, its appointed officers, agents, and employees harmless therefrom;

(c) In the event the Mayor and Council, its appointed officers, agents or employees is made a party to any action or proceeding filed or prosecuted against the Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of the Contractor hereunder, the Contractor agrees to pay to the Mayor and Council, its appointed officers, agents or employees, any and all costs and expenses incurred by the Mayor and Council, its appointed officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

The Contractor shall incorporate similar, indemnity agreements with its subcontractors and if it fails to do so the Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes Claims or Liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of the Contractor in the performance of services hereunder. The provisions of this Section do not apply to Claims or Liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of the Contractor and shall survive termination of this Rider Agreement.

Section 7.03. Intentionally Omitted.

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Section 7.04. Sufficiency of Insurer or Surety. Insurance or bonds required by this Rider Agreement shall be satisfactory only if issued by companies qualified to do business in Maryland, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager due to unique circumstances. If this Rider Agreement continues for more than 3 years duration, or in the event the Risk Manager determines that the work or services to be performed under this Rider Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies and the performance bond (if any) may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Manager within 10 days of receipt of notice from the Risk Manager.

ARTICLE VIII. CONTRACTOR REPRESENTATIONS AND WARRANTIES

As a material inducement to the Mayor and Council's entry into this Rider Agreement, the Contractor hereby (i) makes the following representations and warranties to the Mayor and Council, as of the Effective Date, (ii) covenants that until the expiration or earlier termination of this Rider Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Rider Agreement not to be true, the Contractor shall promptly give written notice of such fact or condition to the City Manager or authorized designee, (iii) acknowledges that the Mayor and Council shall rely upon the Contractor's representations made herein notwithstanding any investigation made by or on behalf of the Mayor and Council, and (iv) agrees that such representations and warranties shall survive until the expiration or termination of this Rider Agreement:

Section 8.01. Organization. The Contractor is duly organized, validly existing and in good standing under the laws of the state in which it is organized and is duly qualified to conduct business in the State of Maryland.

Section 8.02. Authority of the Contractor. The Contractor has full power and authority to execute and deliver this Rider Agreement, and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement, and to perform and observe the terms and provisions of all the above.

Section 8.03. Authority of Persons Executing Documents. This Rider Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of the Contractor, and all actions required under the Contractor's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Rider Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Rider Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

Section 8.04. No Breach of Law or Agreement. To the Contractor's knowledge, neither the execution nor delivery of this Rider Agreement or any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Rider Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on the Contractor, or any provision of the organizational documents of the Contractor, or will materially conflict with or constitute a material breach of or a material default under any agreement to which the Contractor is a party, or will result in the creation or imposition of any lien upon assets or property of the Contractor, other than liens established pursuant hereto.

Section 8.05. Qualifications. The Contractor, its employees, agents and subcontractors, if any, possess the necessary professional expertise, qualifications and capabilities, and all required licenses and certifications to perform the Scope of Work and provide the Services.

ARTICLE IX. ENFORCEMENT OF AGREEMENT AND TERMINATION

Section 9.01. Maryland Law. This Rider Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of Maryland. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Rider Agreement shall be instituted in the Circuit Court of Montgomery County, State of Maryland, and the Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the State of Maryland, Southern Division.

Section 9.02. Disputes; Default. If the Contractor is in default under the terms of this Rider Agreement, the City shall not have any obligation or duty to continue compensating the Contractor for any work performed after the date of default. Instead, the City may give notice to the Contractor of the default and the reasons for the default. The notice shall include the timeframe in which the Contractor may cure the default. This timeframe is presumptively twenty (20) days, but may be extended, though not reduced, if circumstances warrant. During the period that the Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all the outstanding invoices during the period of default. If the Contractor does not cure the default, the City may take necessary steps to terminate this Rider Agreement under this Article. Any failure on the part of the City to give notice of the Contractor's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Rider Agreement.

Section 9.03. Retention of Funds. The Contractor hereby authorizes the City to deduct from any amount payable to the Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate the City for any losses, costs, liabilities, or damages suffered by the City, and (ii) all amounts for which the City may be liable to third parties, by reason of the Contractor's acts or omissions in

performing or failing to perform the Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by the Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, the City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of the City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect the City as elsewhere provided herein.

Section 9.04. Waiver. Waiver by either Party to this Rider Agreement of any term, condition, or covenant of this Rider Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Rider Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Rider Agreement. Acceptance by the City of any work or services by the Contractor shall not constitute a waiver of any of the provisions of this Rider Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Rider Agreement.

Section 9.05. Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Rider Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

Section 9.06. Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Rider Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Rider Agreement.

Section 9.07. Intentionally Omitted.

Section 9.08. Termination Prior to Expiration of Term. This Section shall govern any termination of this Rider Agreement except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Rider Agreement at any time, with or without cause, upon thirty (30) days' written notice to the Contractor, except that where termination is due to the fault of the Contractor, the period of notice may be such shorter time as may be determined by the City Manager or designee. Upon receipt of any notice of termination, the Contractor shall immediately cease all work hereunder except such as may be specifically approved by the City Manager or designee. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all portions of the Scope of Work performed prior to the effective date of the notice of termination for any Scope of Work authorized by the City Manager or designee thereafter in accordance with the Compensation and Fee Schedule or such as may be approved by the City Manager or designee, except as provided in Section 7.02. In

the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 9.02.

Section 9.09. Termination for Default by Contractor. If termination is due to the failure of the Contractor to fulfill its obligations under this Rider Agreement, the City may, after compliance with the provisions of Section 9.02, take over the work related to the provision of the Services and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the Services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and the City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

Section 9.10. Attorneys' Fees. If either Party to this Rider Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Rider Agreement, each Party shall pay its Attorney's fees.

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.01. Notices, Demands, and Communications Between the Parties. Formal notices, demands, and communications between the Contractor and the City shall be given either by (a) personal service, (b) delivery by reputable overnight document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (c) mailing utilizing a certified or mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, addressed to:

To the City:

Mayor and Council of Rockville
c/o Office of the City Clerk / Director of Council Operations
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Clerk / Director of Council Operations
Email: cityclerk@rockvillemd.gov
Telephone: (240) 314-8283

With copies to:

Office of the City Manager
111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Manager
Email: cmo@rockvillemd.gov
Telephone: (240) 314-8102

Office of the City Attorney

111 Maryland Avenue
Rockville, Maryland 20850
Attn: City Attorney
Email: cityattorney@rockvillemd.gov
Telephone: (240) 314-8150

Department of Procurement
111 Maryland Avenue
Rockville, Maryland 20850
Attn: Director
Email: procurement@rockvillemd.gov
Telephone: (240) 314-8432

To the Contractor:

Nick Rouhana, Vice President
ATC Corp d/b/a American Tennis Courts, Inc.
4051 North Point Road
Baltimore, MD 21222
Email: nnr@atccorpmd.com
Telephone: 410-632-6928

Notices personally delivered shall be deemed effective upon receipt or refusal thereof. Notices given by a reputable overnight document delivery service shall be deemed effective one (1) business day after delivery by such service. Notices mailed shall be deemed effective on the fifth (5^{th}) business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate in writing. As used herein, "business day" means a day other than Saturday, Sunday, or a federal holiday, state holiday in the State of Maryland, or a city holiday in the City of Rockville, Maryland.

Section 10.02. Incorporation of Recitals; Interpretation.

(a) Incorporation of Recitals. The Recitals and Exhibits are an integral part of this Rider Agreement and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Rider Agreement. Accordingly, the Recitals above and Exhibits attached are incorporated into this Rider Agreement by this reference as if set fully forth and state the obligations as if the parties to the Baltimore Procurement Agreement were identical to the parties of this Rider Agreement

(b) Interpretation. The terms of this Rider Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against any Party by reason of the authorship of this Rider Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only and shall not be construed to limit or extend the meaning of this Rider Agreement. In the event of any conflict or inconsistency

between the provisions of this Rider Agreement and provisions of the Baltimore's Procurement Agreement, the provisions of this Rider Agreement will prevail and govern the interpretation thereof.

Section 10.03. Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the Mayor and Council shall be personally liable to the Contractor in the event of any default or breach by the Mayor and Council or for any amount which may become due to the Contractor or its successors or assigns or on any obligation under the terms of this Rider Agreement.

Section 10.04. No Waiver of Sovereign Immunity by Mayor and Council. Notwithstanding any other provisions of this Rider Agreement to the contrary, nothing in this Rider Agreement nor any action taken by the Mayor and Council pursuant to this Rider Agreement nor any document which arises out of this Rider Agreement shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the Mayor and Council and its appointed officials, officers and employees.

Section 10.05. No Third-Party Beneficiaries. No provision of this Rider Agreement shall be construed to confer any rights upon any person or entity who is not a Party hereto, whether a third-party beneficiary or otherwise.

Section 10.06. Equal Opportunity Employment. Contractor will not discriminate against any employee or applicant for employment because of age (in accordance with applicable law), sex, race, ancestry, color, religion, sexual orientation, gender identity or expression, physical or mental handicap, marital status, or political expression. Contractor will take affirmative action to ensure that applicants are employed, and the employees are treated fairly and equally during employment regarding the above. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment, layoff or termination, rates of pay or other form of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

If Contractor fails to comply with nondiscrimination clauses of this Rider Agreement or fails to include such contract provisions in all subcontracts, this Rider Agreement may be declared void AB INITIO, cancelled, terminated or suspended in whole or in part and Contractor may be declared ineligible for further contracts with the Mayor and Council. Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to the City Manager who shall commence a prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor will permit access to Contractor's books, records, and accounts. If the City Manager concludes that the Contractor has failed to comply with nondiscrimination clauses, the remedies set out above may be invoked.

Section 10.07. Authority of the City Manager in Disputes. Any dispute concerning a question of fact arising under the agreement signed by the City and the Contractor which is not

disposed of by this Rider Agreement shall be decided by the City Manager who shall notify the Contractor in writing of his determination. The Contractor shall be afforded the opportunity to be heard and offer evidence in support of the claim. Pending final decision of the dispute herein, the Contractor shall proceed diligently with performance under this Rider Agreement. The decision of the City Manager shall be final and conclusive unless an appeal is taken pursuant to the City Purchasing Ordinance.

Section 10.08. Tax Exemption. The City is exempt from the payment of any federal excise or any Maryland sales tax.

Section 10.09. Local Government. Notwithstanding anything herein contained to the contrary, Contractor acknowledges the Mayor and Council is a political subdivision and its obligations hereunder are given only to the extent permitted by applicable law, contingent upon the appropriation and encumbrance of funding, and subject to the notice requirements and damages limitations stated in applicable law, including, but limited to, the Local Government Tort Claims Act, Md. Code Ann., Ct & Jud. Proc. § 5-301, et seq. (2013 Repl. Vol.), as amended from time to time.

Section 10.10. Severability. If any term, provision, covenant, or condition of this Rider Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Rider Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Rider Agreement. In the event that all or any portion of this Rider Agreement is found to be unenforceable, this Rider Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all steps necessary to comply with such procedures or requirements as may be necessary in order to make valid this Rider Agreement or that portion which is found to be unenforceable.

Section 10.11. Entire Agreement, Waivers and Amendments. This Rider Agreement integrates all the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties. All waivers of the provisions of this Rider Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties.

Section 10.12. Counterparts. This Rider Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

Section 10.13. Electronic Signatures. This Agreement may be executed by electronic signature, which will be construed as an original signature for all purposes and have the same force and effect as an original signature. For these purposes, "electronic signature" means electronically scanned and transmitted versions (e.g., via pdf file or facsimile transmission) of an original signature, or signatures electronically inserted via software such as DocuSign or Adobe Sign.

(Signature pages to follow)

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IN WITNESS WHEREOF, the Parties have each executed, or caused to be duly executed, this Rider Agreement in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives thereunto duly authorized) as of the day and year first written above.

MAYOR AND COUNCIL

Approved as to form:

THE MAYOR AND COUNCIL OF ROCKVILLE, a body corporate and municipal corporation of the State of Maryland

By: _____
Jeff Mihelich, City Manager

_____
Robert Dawson, City Attorney

CONTRACTOR

ATC CORP, a Maryland corporation

By: _____
Nick Rouhana, Vice President

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EXHIBIT A
Queen Anne's Procurement Agreement

Please See Attached.

Subject to receipt of a written Notice to Proceed Contractor will furnish all labor, materials, tools, equipment and supervision in accordance with the Agreement specifications, terms and conditions to renovate tennis and basketball courts, including without limitation services, incidentials and related items including following types of tasks, as needed:

a. Maintain, repair, renovate and replace multiple types of athletic courts within Parks facilities, including but not limited to: asphalt surface overlays, resurfacing, replace goals, backboards, multi-purpose playing lines, net posts and color coating, fencing repairs and/ or replacements.
b. Maintenance and safety repairs.
c. Work procedures and specifications at paragraphs 12 to 24 of Baltimore Procurement Agreement.
d. Any or all other work as listed in the Baltimore Procurement Agreement,

MODIFICATIONS

Notwithstanding the Parties enter this Rider Agreement for the same contract terms as the Baltimore Procurement Agreement, the following modify the Baltimore Procurement Agreement to state with more particularity the post award requirements among these Parties:

i. All references in the Baltimore's Procurement Agreement to "County," "Baltimore County Property Manager," or "Baltimore's County" are herein revised to refer to the Mayor and Council of Rockville.
ii. Contractor's representations, covenants and certifications are relative to Mayor and Council of Rockville.
iii. Reference to locations for the performance of work are revised to refer to work to be performed within Rockville city limits.

EXHIBIT C
Intentionally Omitted (Schedule of Performance)

Work will be scheduled as needed in accordance with this Agreement, Section 1.

Contractor to provide labor, materials, and services necessary for and reasonably incidental to providing Services, at the materials and labor rates included in Baltimore's Procurement Agreement.

- Prices quoted include delivery costs and charges.
- Price is fixed for one year from Baltimore Procurement Agreement, then subject to CPI adjustment approved by Baltimore County.
- Contractor's time to prepare price quotes and to coordinate logistics shall be incorporated and not in addition to the amounts listed.

Bid sheet reproduced here:

Catalog Items

Catalog Item	Supplier Item Identifier	Unit of Measure	Current Default Unit Price
Basketball , post, post footings, aluminum PR52 backboard & rim, furnish and install, as per specifications.	Basketball , post, post footings, aluminum PR52 backboard & rim, furnish and install, as per specifications.	Each	$3,800.00000
Basketball, post, post footings, acrylic PR 70 backboard & rim, furnish & install, as per specifications.	Basketball, post, post footings, acrylic PR 70 backboard & rim, furnish & install, as per specifications.	Each	$4,500.00000
Basketball, post, post footings, acrylic PR18 backboard & rim, furnish and install, as per specifications.	Basketball, post, post footings, acrylic PR18 backboard & rim, furnish and install, as per specifications.	Each	$3,800.00000
Bituminous Concrete Top Paving Course, 4.75 mm furnish and install at 2 inches compacted, as per specifications.	Bituminous Concrete Top Paving Course, 4.75 mm furnish and install at 2 inches compacted, as per specifications.	Square Yard	$13.00000

Catalog Items

Catalog Item	Supplier Item Identifier	Unit of Measure	Current Default Unit Price
Bituminous Concrete, (Base Paving Course, 12.5-19.5mm) furnish and install at 2 inches compacted, as per specifications.	Bituminous Concrete, (Base Paving Course, 12.5-19.5mm) furnish and install at 2 inches compacted, as per specifications.	Square Yard	$15.85000
Bituminous Concrete, (Top Paving Course, 9.5mm furnish and install at 2 inches compacted, as per specifications.	Bituminous Concrete, (Top Paving Course, 9.5mm furnish and install at 2 inches compacted, as per specifications.	Square Yard	$15.85000
Cleaning, pressure washing, furnish and install, as per specifications.	Cleaning, pressure washing, furnish and install, as per specifications.	Square Foot	$0.15000
Color Coating, over existing surface, as per specifications.	Color Coating, over existing surface, as per specifications.	Square Foot	$0.92000
Excavation, Class 2, as per specifications.	Excavation, Class 2, as per specifications.	Cubic Yard	$100.00000
Fencing, chain link, remove and replace as necessary to perform court repairs per specifications.	Fencing, chain link, remove and replace as necessary to perform court repairs per specifications.	Linear Foot	$42.00000
Fencing, chain link, reset lower rails as per specifications.	Fencing, chain link, reset lower rails as per specifications.	Linear Foot	$10.00000
Fresh CR Stone, furnish and install, as per specifications.	Fresh CR Stone, furnish and install, as per specifications.	Ton	$80.00000
Game lines, basketball courts, furnish and install, as per specifications.	Game lines, basketball courts, furnish and install, as per specifications.	Each	$1,200.00000
Game lines, general game lines, furnish and install, as per specifications.	Game lines, general game lines, furnish and install, as per specifications.	Each	$600.00000
Game lines, pickleball courts, furnish and install, as per specifications.	Game lines, pickleball courts, furnish and install, as per specifications.	Each	$600.00000
Game lines, tennis courts, furnish and install, as per specifications.	Game lines, tennis courts, furnish and install, as per specifications.	Each	$1,200.00000
Geotetile fabric, furnish and install, as per specifications.	Geotetile fabric, furnish and install, as per specifications.	Square Foot	$0.45000
Milling, as per specifications.	Milling, as per specifications.	Cubic Yard	$81.00000
Minor seeding, straw, topsoil, furnish and install, as per specifications.	Minor seeding, straw, topsoil, furnish and install, as per specifications.	Square Foot	$1.23000

Catalog Items

Catalog Item	Supplier Item Identifier	Unit of Measure	Current Default Unit Price
Mobilization, asphalt and/or stonedust and asphalt, as per specifications.	Mobilization, asphalt and/or stonedust and asphalt, as per specifications.	Each	$1,500.00000
Mobilization, seal coating, color, game lines, as per specifications.	Mobilization, seal coating, color, game lines, as per specifications.	Each	$1,500.00000
Net Posts, post footings & net, tennis/ pickleball court, furnish and install as per specifications.	Net Posts, post footings & net, tennis/ pickleball court, furnish and install as per specifications.	Each	$3,500.00000
Net Posts, without footings & net, tennis/ pickleball court, furnish and install as per specifications.	Net Posts, without footings & net, tennis/ pickleball court, furnish and install as per specifications.	Each	$800.00000
Paving failures, excavation and replace as per specifications.	Paving failures, excavation and replace as per specifications.	Square Yard	$38.00000
Recycled RC Stone furnish and install, as per specifications.	Recycled RC Stone furnish and install, as per specifications.	Ton	$68.00000
Seal Coating, over existing surface, as per specifications.	Seal Coating, over existing surface, as per specifications.	Square Foot	$0.44000
Stonedust material, furnish and install, as per specifications.	Stonedust material, furnish and install, as per specifications.	Square Yard	$31.00000
Subcontractor, as per specifications.	Subcontractor, as per specifications.	Multiplier (Cost Plus %)	$1.10000

Prior to the execution of the contract by the City, the Contractor must obtain at their own cost and expense and keep in force and effect during the term of the contract including all extensions, the following insurance with an insurance company/companies licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. The Contractor's insurance shall be primary. The Contractor must submit to the Purchasing Division, 111 Maryland Avenue, Rockville, MD 20850 a certificate of insurance prior to the start of any work. In no event may the insurance coverage be less than shown below.

Unless otherwise described in this Rider Agreement the successful contractor and subcontractors will be required to maintain for the life of the contract and to furnish the City evidence of insurance as follows:

MANDATORY REQUIREMENTS FOR INSURANCE

Contractor's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Contractor's insurance and shall not be called upon to contribute with it.

Type of Insurance	Amounts of Insurance	Endorsements and Provisions
1. ***Workers' Compensation*** 2. ***Employers' Liability***	Bodily Injury by Accident: $100,000 each accident Bodily Injury by Disease: $500,000 policy limits Bodily Injury by Disease: $100,000 each employee	Waiver of Subrogation: **WC 00 03 13 Waiver of Our Rights to Recover From Others Endorsement signed and dated.**
3. Commercial General Liability a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	Each Occurrence: $1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage. **CG 20 37 07 04 and CG 20 10 07 04 forms to be both signed and dated.**
4. Automobile Liability a. All Owned Autos b. Hired Autos c. Non-Owned Autos	Combined Single Limit for Bodily Injury and Property Damage - (each accident): $1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage. **Form CA20 48 02 99 form to be both signed and dated.**
5. Excess/Umbrella Liability	Each Occurrence/Aggregate: $1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage.
6. Professional Liability	Each Occurrence/Aggregate: $1,000,000	

Alternative and/or additional insurance requirements, when outlined under the special provisions of this Rider Agreement, shall take precedence over the above requirements in part or in full as described therein.

POLICY CANCELLATION

No change, cancellation or non-renewed shall be made in any insurance coverage without a thirty (30) day written notice to the City Purchasing Division. The Contractor shall furnish a new certificate prior to any change or cancellation date. The failure of the Contractor to deliver a new and valid certificate will result in suspension of all payments and cessation of on-site work activities until a new certificate is furnished.

ADDITIONAL INSURED

The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents and employees must be named as an additional insured on the Contractor's Commercial and Excess/Umbrella Insurance for liability arising out of contractor's products, goods, and services provided under this Rider Agreement. Additionally, The Mayor and Council of Rockville must be named as additional insured on the Contractor's Automobile and General Liability Policies. Endorsements reflecting the Mayor and Council of Rockville as an additional insured are required to be submitted with the insurance certificate.

SUBCONTRACTORS

All subcontractors shall meet the requirements of this Section before commencing work. In addition, Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all the requirements stated herein.

CERTIFICATE HOLDER

The Mayor and Council of Rockville
(Contract #, title)
City Hall
111 Maryland Avenue
Rockville, MD 20850

MAYOR AND COUNCIL Meeting Date: December 8, 2025
Agenda Item Type: CONSENT
Department: PW - TRAFFIC & TRANSPORTATION
Responsible Staff: BRYAN BARNETT-WOODS

Subject

Authorization for the City Manager to Sign a Grant Agreement Amendment with the Federal Highway Administration for FY 2023 Safe Streets and Roads for All Project

Department

PW - Traffic & Transportation

Recommendation

Staff recommends the Mayor and Council authorize the City Manager to execute the amended agreement with the U.S. Department of Transportation Federal Highways Administration (FHWA) for the FY 2023 Safe Streets and Roads for All program grant.

Discussion

Department of Public Works (DPW) was awarded grant funding through the FY 2023 Safe Streets and Roads for All (SS4A) grant to evaluate multimodal safety and propose improvements to thirty intersections within the City of Rockville (listed below), including 20 state-owned intersections.

This project will contribute to implementing the city's Vision Zero Action Plan and will continue ongoing collaboration with the Maryland Department of Transportation State Highway Administration (MDOT SHA). The anticipated deliverables of this project will be a comprehensive evaluation of each intersection, potential improvements, and a construction cost estimate. This information will be used by the city to construct improvements on city-owned intersections and to further collaborate with MDOT SHA to implement the proposed improvements on state-owned intersections.

The Mayor and Council initially authorized the City Manager to execute this project's grant agreement (Attachment 1) on September 9, 2024. The existing agreement's period of performance is December 13, 2025. The amended grant agreement (Attachment 2) extends the period of performance to September 15, 2027. The terms and conditions are also attached for reference (Attachment 3).

September 15, 2027, was selected by FHWA, because it is the final period of performance date for FY 2023 Safe Streets and Roads for All projects. City staff expect the project to be complete within six months. The amended agreement does not change the scope or extent of the project.

The SS4A project will evaluate 10 city-owned and 20 state-owned intersections in Rockville.

#	Street	Cross-Street	Injury + Fatal Crashes (2017 - 2021)
1	First St (MD 28)	Baltimore Rd	13
2	Frederick Rd (MD 355)	Watkins Pond Blvd	17
3	Frederick Rd (MD 355)	Ridgemont Ave	12
4	Hungerford Dr (MD 355)	N Washington St	18
5	Hungerford Dr (MD 355)	Mannakee St	17
6	Hungerford Dr (MD 355)	Beall Ave	12
7	Norbeck Rd (MD 28)	Avery Rd	13
8	Rockville Pike (MD 355)	Edmonston Dr	18
9	Rockville Pike (MD 355)	First St/Wootton Pkwy	15
10	Rockville Pike (MD 355)	Templeton Pl	15
11	Rockville Pike (MD 355)	Congressional Ln	13
12	Rockville Pike (MD 355)	Veirs Mill Rd (MD 28)	13
13	Rockville Pike (MD 355)	Richard Montgomery St	12
14	W Montgomery Ave (MD 28)	Hurley Ave	11
15	Rockville Pike (MD 355)	Talbott St	12
16	Viers Mill Rd (MD 586)	Woodburn Rd	7
17	First St (MD 28)	Grandin Ave	2
18	Viers Mill Rd (Md 586)	Broadwood Dr	16
19	Hungerford Dr (MD 355)	Frederick Avenue	9
20	Rockville Pike (MD 355)	Mt Vernon Pl	7
21	Wootton Pkwy	Pasture Brook Way	1
22	Wootton Pkwy	W Edmonston Dr (north)	6
23	King Farm Blvd	Grand Champion Dr	4
24	Redland Blvd	Pleasant Dr	3
25	Redland Blvd	Thompson Dairy Way	3
26	Gaither Rd	Piccard Dr	4
27	E Jefferson St	Congressional Ln	6
28	Halpine Rd	Shopping Center Entrance	7

29	Baltimore Rd	S Stonestreet Ave	4
30	Woodland Dr	Park Rd	4

Mayor and Council History

The Mayor and Council authorized the City Manager to sign the initial agreement with the U.S. Department of Transportation Federal Highways Administration for the FY 2023 Safe Streets and Roads for All grant on September 9, 2024.

Boards and Commissions Review

City staff collaborated with the Transportation and Mobility Commission, the Rockville Bicycle Advisory Committee, and the Rockville Pedestrian Advocacy Committee for support of this grant application. City staff has provided ongoing project updates to these committees.

Next Steps

After Mayor and Council authorization, the City Manager will execute the agreement amendment and DPW staff will coordinate with FHWA staff to fully execute it. DPW Staff will continue to carry out this project.

Attachments

Attachment 1 - Fully Executed SS4A Agreement - 9-9-2024, Attachment 2 - FY23 SS4A - Amended Agreement, Attachment 3 - SS4A-FY23_Terms-Conditions_2025-11-04

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1. Federal Award No.
693JJ32440499

2. Effective Date
See No. 17 Below

3. Assistance Listings No.
20.939

4. Award To
Mayor and Council of Rockville
111 Maryland Avenue
Rockville, Maryland 20850

Unique Entity Id.: L9SLWCY3DF21
TIN No.: 52-6001573

5. Sponsoring Office
U.S. Department of Transportation
Federal Highway Administration
Office of Safety
1200 New Jersey Avenue, SE
HSSA-1, Mail Drop E71-117
Washington, DC 20590

6. Period of Performance
Effective Date of Award – 12/13/2025

7. Total Amount

Federal Share:	$320,000
Recipient Share:	$80,000
Other Federal Funds:	$0
Other Funds:	$0
Total:	$400,000

8. Type of Agreement
Grant

9. Authority
Section 24112 of the Infrastructure Investment and Jobs Act (Pub. L. 117–58, November 15, 2021; also referred to as the "Bipartisan Infrastructure Law" or "BIL")

10. Procurement Request No.
HSA240606PR

11. Federal Funds Obligated
$320,000

12. Submit Payment Requests To
See Article 5.

13. Accounting and Appropriations Data
15X0174E50.0000.055SR30500.5592000000.41010.61006600.0000000000.0000000000.0000000000.0000000000

14. Description of the Project
The City of Rockville Safe Streets and Roads for All supplemental planning project is to conduct intersection safety audits at thirty (30) intersections within the city limits which have a history of crashes. The intersection safety audit will include; an evaluation of existing conditions, including crash history, intersection geometry signal timing (if appropriate), and traffic volumes and speeds; proposed intersection safety improvements and their expected safety impact, and a best-practices guide for assessment and improvement of future intersections.

RECIPIENT

15. Signature of Person Authorized to Sign

Jeff Mihelich 9/11/2024

Signature Date

Name: Jeff Mihelich

Title: City Manager

FEDERAL HIGHWAY ADMINISTRATION

16. Signature of Agreement Officer

HECTOR RAMON SANTAMARIA Digitally signed by HECTOR RAMON SANTAMARIA Date: 2024.09.15 18:20:39 -04'00'

Signature Date

Name: Hector R. Santamaria

Title: Agreement Officer

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GRANT AGREEMENT UNDER THE FISCAL YEAR 2023 SAFE STREETS AND ROADS FOR ALL GRANT PROGRAM

This agreement is between the United States Department of Transportation's (the "**USDOT**") Federal Highway Administration (the "**FHWA**") and the Mayor and Council of Rockville (the "**Recipient**").

This agreement reflects the selection of the Recipient to receive a Safe Streets and Roads for All ("**SS4A**") Grant for the City of Rockville Vision Zero Intersection Safety Audits.

The parties therefore agree to the following:

ARTICLE 1
GENERAL TERMS AND CONDITIONS

1.1 General Terms and Conditions.

(a) In this agreement, "**General Terms and Conditions**" means the content of the document titled "General Terms and Conditions Under the Fiscal Year 2023 Safe Streets and Roads for All ("SS4A") Grant Program,", which is available at https://www.transportation.gov/grants/ss4a/grant-agreements under "Fiscal Year 2023." Articles 7–30 are in the General Terms and Conditions. The General Terms and Conditions are part of this agreement.

(b) The Recipient acknowledges that it has knowledge of the General Terms and Conditions. Recipient also states that it is required to comply with all applicable Federal laws and regulations including, but not limited to, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200); National Environmental Policy Act (NEPA) (42 U.S.C. § 4321 et seq.); and Build America, Buy America Act (BIL, div. G §§ 70901-27).

(c) The Recipient acknowledges that the General Terms and Conditions impose obligations on the Recipient and that the Recipient's non-compliance with the General Terms and Conditions may result in remedial action, termination of the SS4A Grant, disallowing costs incurred for the Project, requiring the Recipient to refund to the FHWA the SS4A Grant, and reporting the non-compliance in the Federal-government-wide integrity and performance system.

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ARTICLE 2
APPLICATION, PROJECT, AND AWARD

2.1 Application.

Application Title: City of Rockville Vision Zero Intersection Safety Audits

Application Date: 07/05/2023

2.2 Award Amount.

SS4A Grant Amount: $320,000

2.3 Federal Obligation Information.

Federal Obligation Type: Single

2.4 Budget Period.

Budget Period: See Block 6 of Page 1

2.5 Grant Designation.

Designation: Planning and Demonstration

ARTICLE 3
SUMMARY PROJECT INFORMATION

3.1 Summary of Project's Statement of Work.

The project will be completed in one phase as follows:

Base Phase: Pre-NEPA: The City of Rockville staff will prepare a request for proposal and procure the services of a transportation planning and engineering contractor to carry out the intersection audits. The city will also coordinate with appropriate state and county agencies to obtain relevant traffic and crash data from the selected intersections. Under City of Rockville staff supervision, the contractor will complete intersection safety audits at the thirty selected intersections. This audit will include field observations, assessment of crash data, evaluation of traffic patterns, signal timings, roadway volumes, traffic speeds, and pedestrian and bicycle movements, as well as review of intersection geometry and lines-of-sight. Once all data has been collected and analyzed, the contractor will prepare an existing conditions report for each intersection highlighting safety challenges to address as well as opportunities to proactively address and improve pedestrian and bicycle facilities and their ability to navigate the selected intersections. After the existing conditions report is shared with the City of Rockville and the public, the contractor will develop a list of recommended improvements to address existing roadway safety challenges and proactive multimodal improvements. These recommended improvements will be organized for each intersection and further organized by improvements that are considered low-cost quick build improvements that the city or relevant agency could undertake within a year and long-term improvements that would require specific budget allocation and additional design and planning. While low-cost quick build improvements will be proposed as part of the final report and deliverable, this project does not include any construction or implementation of the low-cost quick build improvements. The recommended potential improvements will be shared with the city and the public in a final report. The final report will also include a best practices table to identify intersection improvements and the criteria appropriate to warrant those improvements. It is expected that the City of Rockville, in coordination with MDOT SHA, will determine which improvements will be implemented after the completion of this supplemental planning project.

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3.2 Project's Estimated Schedule.

Supplemental Planning Schedule

Milestone	Schedule Date
Planned NEPA Completion Date:	8/31/2025
Planned Draft Plan Completion Date:	8/31/2025
Planned Final Plan Completion Date:	10/31/2025
Planned Final Plan Adoption Date:	11/30/2025
Planned SS4A Final Report Date:	12/31/2025

3.3 Project's Estimated Costs.

(a) Eligible Project Costs

Eligible Project Costs	
SS4A Grant Amount:	$320,000
Other Federal Funds:	$0
State Funds:	$0
Local Funds:	$80,000
In-Kind Match:	$0
Other Funds:	$0
Total Eligible Project Cost:	$400,000

(c) Indirect Costs

Indirect costs are allowable under this Agreement in accordance with 2 CFR part 200 and the Recipient's approved Budget Application. In the event the Recipient's indirect cost rate changes, the Recipient will notify FHWA of the planned adjustment and provide supporting documentation for such adjustment. This Indirect Cost provision does not operate to waive the limitations on Federal funding provided in this document. The Recipient's indirect costs are allowable only insofar as they do not cause the Recipient to exceed the total obligated funding.

ARTICLE 4

RECIPIENT INFORMATION

4.1 Recipient Contact(s).

Bryan Barnett-Woods
Principal Transportation Planner
City of Rockville

Docusign Envelope ID: 0B142619-BF8B-4DDC-B341-D0871034C6AE
111 Maryland Avenue, Rockville, Maryland 20850
240-314-8527
bbwoods@rockvillemd.gov

4.2 Recipient Key Personnel.

Name	Title or Position
Emad Elshafei	Chief of Traffic and Transportation
Daniel Seo	Principal Transportation Engineer

4.3 USDOT Project Contact(s).

Safe Streets and Roads for All Program Manager
Federal Highway Administration
Office of Safety
HSSA-1, Mail Stop: E71-117
1200 New Jersey Avenue, S.E.
Washington, DC 20590
202-366-2822
SS4A.FHWA@dot.gov

and

Agreement Officer (AO)
Federal Highway Administration
Office of Acquisition and Grants Management
HCFA-33, Mail Stop E62-310
1200 New Jersey Avenue, S.E.
Washington, DC 20590
202-493-2402
HCFASS4A@dot.gov

and

Division Administrator – Maryland
Agreement Officer's Representative (AOR)
Maryland Division Administrator
Federal Highway Administration (FHWA)
31 Hopkins Plaza, Suite 1520
Baltimore, MD 21201
410-962-4440
Maryland.FHWA@dot.gov

and

Alyssa Roff
Maryland Division Office Lead Point of Contact
Discretionary Grant Manager
31 Hopkins Plaza, Suite 1520
Baltimore, MD 21201
410-779-7151

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5.1 Office for Subaward and Contract Authorization.

USDOT Office for Subaward and Contract Authorization: FHWA Office of Acquisition and Grants Management

SUBAWARDS AND CONTRACTS APPROVAL

Note: See 2 CFR § 200.331, Subrecipient and contractor determinations, for definitions of subrecipient (who is awarded a subaward) versus contractor (who is awarded a contract).

Note: Recipients with a procurement system deemed approved and accepted by the Government or by the Agreement Officer (the "**AO**") are exempt from the requirements of this clause. See 2 CFR 200.317 through 200.327. Note: This clause is only applicable to grants that do not include construction.

In accordance with 2 CFR 200.308(c)(6), unless described in the application and funded in the approved award, the Recipient must obtain prior written approval from the AO for the subaward, transfer, or contracting out of any work under this award above the Simplified Acquisition Threshold. This provision does not apply to the acquisition of supplies, material, equipment, or general support services. Approval will be issued through written notification from the AO or a formal amendment to the Agreement.

The following subawards and contracts are currently approved under the Agreement by the AO. This list does not include supplies, material, equipment, or general support services which are exempt from the pre-approval requirements of this clause.

5.2 Reimbursement Requests

(a) The Recipient may request reimbursement of costs incurred within the budget period of this agreement if those costs do not exceed the amount of funds obligated and are allowable under the applicable cost provisions of 2 C.F.R. Part 200, Subpart E. The Recipient shall not request reimbursement more frequently than monthly.

(b) The Recipient shall use the DELPHI iSupplier System to submit requests for reimbursement to the payment office. When requesting reimbursement of costs incurred or credit for cost share incurred, the Recipient shall electronically submit supporting cost detail with the SF-270 (Request for Advance or Reimbursement) or SF-271 (Outlay Report and Request for Reimbursement for Construction Programs) to clearly document all costs incurred.

(c) The Recipient's supporting cost detail shall include a detailed breakout of all costs incurred, including direct labor, indirect costs, other direct costs, travel, etc., and the Recipient shall identify the Federal share and the Recipient's share of costs. If the Recipient does not provide sufficient detail in a request for reimbursement, the Agreement Officer's Representative (the "**AOR**") may withhold processing that request until the Recipient provides sufficient detail.

(d) The USDOT shall not reimburse costs unless the AOR reviews and approves the costs to ensure that progress on this agreement is sufficient to substantiate payment.

(e) In the rare instance the Recipient is unable to receive electronic funds transfers (EFT), payment by EFT would impose a hardship on the Recipient because of their inability to manage an account at a financial institution, and/or the Recipient is unable to use the DELPHI iSupplier System to submit their requests for disbursement, the FHWA may waive the requirement that the Recipient use the DELPHI iSupplier System. The Recipient shall contact the Division Office Lead Point of Contact for instructions on and requirements related to pursuing a waiver.

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(f) The requirements set forth in these terms and conditions supersede previous financial invoicing requirements for Recipients.

ARTICLE 6
SPECIAL GRANT TERMS

6.1 SS4A funds must be expended within five years after the grant agreement is executed and DOT obligates the funds, which is the budget period end date in section 10.3 of the Terms and Conditions and section 2.4 in this agreement.

6.2. The Recipient demonstrates compliance with civil rights obligations and nondiscrimination laws, including Titles VI of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), and Section 504 of the Rehabilitation Act, and accompanying regulations. Recipients of Federal transportation funding will also be required to comply fully with regulations and guidance for the ADA, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and all other civil rights requirements.

6.3 SS4A Funds will be allocated to the Recipient and made available to the Recipient in accordance with FHWA procedures.

6.4 The Recipient of a Planning and Demonstration Grant acknowledges that the Supplemental Action Plan will be made publicly available and agrees that it will publish the final Supplemental Action Plan on a publicly available website.

6.5 There are no other special grant requirements.

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ATTACHMENT A
PERFORMANCE MEASUREMENT INFORMATION

Study Area: City of Rockville

Table 1: Performance Measure Table

Measure	Category and Description	Measurement Frequency and Reporting Deadline
Equity [for all Grants]	Percent of Funds to Underserved Communities: Funding amount (of total project amount) benefitting underserved communities, as defined by USDOT	Within 120 days after the end of the period of performance
Costs [for all Grants]	Project Costs: Quantification of the cost of each eligible project carried out using the grant	Within 120 days after the end of the period of performance
Lessons Learned and Recommendations [for all Grants]	Lessons Learned and Recommendations: Description of lessons learned and any recommendations relating to future projects or strategies to prevent death and serious injury on roads and streets.	Within 120 days after the end of the period of performance

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ATTACHMENT B
CHANGES FROM APPLICATION

Describe all material differences between the scope, schedule, and budget described in the application and the scope, schedule, and budget described in Article 3. The purpose of Attachment B is to clearly and accurately document any differences in scope, schedule, and budget to establish the parties' knowledge and acceptance of those differences. See Article 11 for the Statement of Work, Schedule, and Budget Changes. If there are no changes, please insert "N/A" in Section 3.3 of the table.

Scope: There are no changes in the project scope between the application and the present.

Schedule: There are no changes in the project schedule between the application and the present.

Budget: There are no changes in the project budget between the application and the present.

The table below provides a summary comparison of the project budget.

	Application		Section 3.3	
Fund Source	$	%	$	%
Previously Incurred Costs (Non-Eligible Project Costs)				
Federal Funds	0	0	N/A	
Non-Federal Funds	0	0	N/A	
Total Previously Incurred Costs	0	0	N/A	
Future Eligible Project Costs				
SS4AFunds	320,000	80	N/A	
Other Federal Funds	0	0	N/A	
Non-Federal Funds	80,000	20	N/A	
Total Future Eligible Project Costs	400,000	100	N/A	
Total Project Costs	400,000	100	N/A	

Docusign Envelope ID: 0B142619-BF8B-4DDC-B341-D0871034C6AE

ATTACHMENT C
RACIAL EQUITY AND BARRIERS TO OPPORTUNITY

1. Efforts to Improve Racial Equity and Reduce Barriers to Opportunity.

The Recipient states that rows marked with "X" in the following table align with the application:

	A racial equity impact analysis has been completed for the Project. *(Identify a report on that analysis or, if no report was produced, describe the analysis and its results in the supporting narrative below.)*
	The Recipient or a project partner has adopted an equity and inclusion program/plan or has otherwise instituted equity-focused policies related to project procurement, material sourcing, construction, inspection, hiring, or other activities designed to ensure racial equity in the overall delivery and implementation of the Project. *(Identify the relevant programs, plans, or policies in the supporting narrative below.)*
	The Project includes physical-barrier-mitigating land bridges, caps, lids, linear parks, and multimodal mobility investments that either redress past barriers to opportunity or that proactively create new connections and opportunities for underserved communities that are underserved by transportation. *(Identify the relevant investments in the supporting narrative below.)*
X	The Project includes new or improved walking, biking, and rolling access for individuals with disabilities, especially access that reverses the disproportional impacts of crashes on people of color and mitigates neighborhood bifurcation. *(Identify the new or improved access in the supporting narrative below.)*
	The Project includes new or improved freight access to underserved communities to increase access to goods and job opportunities for those underserved communities. *(Identify the new or improved access in the supporting narrative below.)*
	The Recipient has taken other actions related to the Project to improve racial equity and reduce barriers to opportunity, as described in the supporting narrative below.
	The Recipient has not yet taken actions related to the Project to improve racial equity and reduce barriers to opportunity but intends to take relevant actions described in the supporting narrative below.
	The Recipient has not taken actions related to the Project to improve racial equity and reduce barriers to opportunity and will not take those actions under this award.

2. Supporting Narrative.

The City of Rockville Vision Zero Intersection Safety Audits project is a supplemental planning project and does not include any construction. This project seeks the development of potential pedestrian, bicycle, transit, and motor vehicle improvements that will enhance transportation safety at selected intersections in Rockville. This includes improvements that are designed specifically to improve access for persons using mobility devices as well as communities that do not have access to or cannot use automobiles because of cost, age, or ability. This project will result in deliverables that recommend improvements and evaluate their safety impact. These improvements advance safe walking, biking, and rolling access for individuals with disabilities and help connect communities bifurcated by arterial roadways, however this project does not implement those improvements. It is expected that the City of Rockville will implement recommended improvements as part of a future capital improvement project.

Docusign Envelope ID: 0B142619-BF8B-4DDC-B341-D0871034C6AE

ATTACHMENT D
CLIMATE CHANGE AND ENVIRONMENTAL JUSTICE IMPACTS

1. Consideration of Climate Change and Environmental Justice Impacts.

The Recipient states that rows marked with "X" in the following table align with the application:

X	The Project directly supports a Local/Regional/State Climate Action Plan that results in lower greenhouse gas emissions. *(Identify the plan in the supporting narrative below.)*
	The Project directly supports a Local/Regional/State Equitable Development Plan that results in lower greenhouse gas emissions. *(Identify the plan in the supporting narrative below.)*
	The Project directly supports a Local/Regional/State Energy Baseline Study that results in lower greenhouse gas emissions. *(Identify the plan in the supporting narrative below.)*
	The Recipient or a project partner used environmental justice tools, such as the EJScreen, to minimize adverse impacts of the Project on environmental justice communities. *(Identify the tool(s) in the supporting narrative below.)*
	The Project supports a modal shift in freight or passenger movement to reduce emissions or reduce induced travel demand. *(Describe that shift in the supporting narrative below.)*
	The Project utilizes demand management strategies to reduce congestion, induced travel demand, and greenhouse gas emissions. *(Describe those strategies in the supporting narrative below.)*
	The Project incorporates electrification infrastructure, zero-emission vehicle infrastructure, or both. *(Describe the incorporated infrastructure in the supporting narrative below.)*
	The Project supports the installation of electric vehicle charging stations. *(Describe that support in the supporting narrative below.)*
	The Project promotes energy efficiency. *(Describe how in the supporting narrative below.)*
	The Project serves the renewable energy supply chain. *(Describe how in the supporting narrative below.)*
	The Project improves disaster preparedness and resiliency *(Describe how in the supporting narrative below.)*
	The Project avoids adverse environmental impacts to air or water quality, wetlands, and endangered species, such as through reduction in Clean Air Act criteria pollutants and greenhouse gases, improved stormwater management, or improved habitat connectivity. *(Describe how in the supporting narrative below.)*
	The Project repairs existing dilapidated or idle infrastructure that is currently causing environmental harm. *(Describe that infrastructure in the supporting narrative below.)*
	The Project supports or incorporates the construction of energy- and location-efficient buildings. *(Describe how in the supporting narrative below.)*
	The Project includes recycling of materials, use of materials known to reduce or reverse carbon emissions, or both. *(Describe the materials in the supporting narrative below.)*

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	The Recipient has taken other actions to consider climate change and environmental justice impacts of the Project, as described in the supporting narrative below.
	The Recipient has not yet taken actions to consider climate change and environmental justice impacts of the Project but will take relevant actions described in the supporting narrative below.
	The Recipient has not taken actions to consider climate change and environmental justice impacts of the Project and will not take those actions under this award.

2. Supporting Narrative.

The City of Rockville Climate Action Plan directs the city to expand active transportation and shared micro-mobility and to maximize transit accessibility. The City of Rockville Vision Zero Intersection Safety Audits project is a supplemental planning project that seeks to identify intersection safety improvements to enhance the walking, rolling, bicycling experience as well as increase safety for vulnerable roadway users. By improvement the pedestrian and bicycling environment, it is expected that more people will be able to walk, roll, or bicycle safely to their destinations, reducing motor vehicle emissions in Rockville. It is important to note that while this project will identify potential improvements, this project is a supplemental planning project only and does not include any construction. After improvements are identified in this project, the city will seek to construct the intersection improvements as part of future capital improvement projects.

Docusign Envelope ID: 0B142619-BF8B-4DDC-B341-D0871034C6AE

ATTACHMENT E
LABOR AND WORKFORCE

1. Efforts to Support Good-Paying Jobs and Strong Labor Standards

The Recipient states that rows marked with "X" in the following table align with the application:

	The Recipient demonstrate, to the full extent possible consistent with the law, an effort to create good-paying jobs with the free and fair choice to join a union and incorporation of high labor standards. *(Identify the relevant agreements and describe the scope of activities they cover in the supporting narrative below.)*
	The Recipient or a project partner has adopted the use of local and economic hiring preferences in the overall delivery and implementation of the Project. *(Describe the relevant provisions in the supporting narrative below.)*
	The Recipient or a project partner has adopted the use of registered apprenticeships in the overall delivery and implementation of the Project. *(Describe the use of registered apprenticeship in the supporting narrative below.)*
	The Recipient or a project partner will provide training and placement programs for underrepresented workers in the overall delivery and implementation of the Project. *(Describe the training programs in the supporting narrative below.)*
	The Recipient or a project partner will support free and fair choice to join a union in the overall delivery and implementation of the Project by investing in workforce development services offered by labor-management training partnerships or setting expectations for contractors to develop labor-management training programs. *(Describe the workforce development services offered by labor-management training partnerships in the supporting narrative below.)*
	The Recipient or a project partner will provide supportive services and cash assistance to address systemic barriers to employment to be able to participate and thrive in training and employment, including childcare, emergency cash assistance for items such as tools, work clothing, application fees and other costs of apprenticeship or required pre-employment training, transportation and travel to training and work sites, and services aimed at helping to retain underrepresented groups like mentoring, support groups, and peer networking. *(Describe the supportive services and/or cash assistance provided to trainees and employees in the supporting narrative below.)*
	The Recipient or a project partner has documented agreements or ordinances in place to hire from certain workforce programs that serve underrepresented groups. *(Identify the relevant agreements and describe the scope of activities they cover in the supporting narrative below.)*

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	The Recipient or a project partner participates in a State/Regional/Local comprehensive plan to promote equal opportunity, including removing barriers to hire and preventing harassment on work sites, and that plan demonstrates action to create an inclusive environment with a commitment to equal opportunity, including: a. affirmative efforts to remove barriers to equal employment opportunity above and beyond complying with Federal law; b. proactive partnerships with the U.S. Department of Labor's Office of Federal Contract Compliance Programs to promote compliance with EO 11246 Equal Employment Opportunity requirements and meet the requirements as outlined in the Notice of Funding Opportunity to make good faith efforts to meet the goals of 6.9 percent of construction project hours being performed by women and goals that vary based on geography for construction work hours and for work being performed by people of color; c. no discriminatory use of criminal background screens and affirmative steps to recruit and include those with former justice involvement, in accordance with the Fair Chance Act and equal opportunity requirements; d. efforts to prevent harassment based on race, color, religion, sex, sexual orientation, gender identity, and national origin; e. training on anti-harassment and third-party reporting procedures covering employees and contractors; and f. maintaining robust anti-retaliation measures covering employees and contractors. *(Describe the equal opportunity plan in the supporting narrative below.)*
	The Recipient has taken other actions related to the Project to create good-paying jobs with the free and fair choice to join a union and incorporate strong labor standards. *(Describe those actions in the supporting narrative below.)*
	The Recipient has not yet taken actions related to the Project to create good-paying jobs with the free and fair choice to join a union and incorporate strong labor standards but, before beginning construction of the project, will take relevant actions described in the supporting narrative below.
X	The Recipient has not taken actions related to the Project to improving good-paying jobs and strong labor standards and will not take those actions under this award.

2. Supporting Narrative.

The City of Rockville Vision Zero Intersection Safety Audits project is a supplemental planning project and does not include demonstration activities or construction. The City of Rockville will procure a transportation engineering and planning consulting firm following the appropriate procurement regulations and requirements.

Docusign Envelope ID: 0B142619-BF8B-4DDC-B341-D0871034C6AE

ATTACHMENT F
CRITICAL INFRASTRUCTURE SECURITY AND RESILIENCE

1. Efforts to strengthen the Security and Resilience of Critical Infrastructure against both Physical and Cyber Threats.

The Recipient states that rows marked with "X" in the following table are accurate:

	The Recipient demonstrates, prior to the signing of this agreement, effort to consider and address physical and cyber security risks relevant to the transportation mode and type and scale of the activities.
	The Recipient appropriately considered and addressed physical and cyber security and resilience in the planning, design and oversight of the project, as determined by the Department and the Department of Homeland Security.
	For projects in floodplains: The Recipient appropriately considered whether the project was upgraded consistent with the Federal Flood Risk Management Standard, to the extent consistent with current law, in Executive Order 14030, Climate-Related Financial Risk (86 FR 27967), and Executive Order 13690, Establishing a Federal Flood Risk Management Standard and a Process for Further Solicit and Considering Stakeholder Input (80 FR 6425).

2. Supporting Narrative.

The City of Rockville Vision Zero Intersection Safety Audits project is a supplemental planning project and does not include the purchase of information technology and/or operational technology.

1. Federal Award No.
693JJ32440499

2. Effective Date
See No. 17 Below

3. Assistance Listings No.
20.939

4. Award To
Mayor and Council of Rockville
111 Maryland Avenue
Rockville, Maryland 20850

Unique Entity Id.: L9SLWCY3DF21
TIN No.: 52-6001573

5. Sponsoring Office
U.S. Department of Transportation
Federal Highway Administration
Office of Safety
1200 New Jersey Avenue, SE
HSSA-1, Mail Drop E71-117
Washington, DC 20590

6. Period of Performance
09/15/2024–09/15/2027

7. Total Amount

Federal Share:	$320,000
Recipient Share:	$80,000
Other Federal Funds:	$0
Other Funds:	$0
Total:	$400,000

8. Type of Agreement
Grant

9. Authority
Section 24112 of the Infrastructure Investment and Jobs Act (IIJA; Pub. L. 117–58, November 15, 2021)

10. Procurement Request No.
HSA250761PR

11. Federal Funds Obligated
$320,000

12. Submit Payment Requests To
See Article 5.

13. Accounting and Appropriations Data
N/A for this amendment

14. Description of the Project
The City of Rockville Safe Streets and Roads for All supplemental planning project is to conduct intersection safety audits at thirty (30) intersections within the city limits which have a history of crashes. The intersection safety audit will include; an evaluation of existing conditions, including crash history, intersection geometry signal timing (if appropriate), and traffic volumes and speeds; proposed intersection safety improvements and their expected safety impact, and a best-practices guide for assessment and improvement of future intersections.

RECIPIENT

15. Signature of Person Authorized to Sign

_____
Signature Date
Name: Jeff Mihelich
Title: City Manager

FEDERAL HIGHWAY ADMINISTRATION

16. Signature of Agreement Officer

_____
Signature Date
Name: Hector R. Santamaria
Title: Agreement Officer

U.S. DEPARTMENT OF TRANSPORTATION

GRANT AGREEMENT UNDER THE
FISCAL YEAR 2023 SAFE STREETS AND ROADS FOR ALL GRANT PROGRAM

This agreement is between the United States Department of Transportation's (the "**USDOT**") Federal Highway Administration (the "**FHWA**") and the Mayor and Council of Rockville (the "**Recipient**").

This agreement reflects the selection of the Recipient to receive a Safe Streets and Roads for All ("**SS4A**") Grant for the City of Rockville Vision Zero Intersection Safety Audits.

The parties therefore agree to the following:

ARTICLE 1
GENERAL TERMS AND CONDITIONS

1.1 General Terms and Conditions.

(a) In this agreement, "**General Terms and Conditions**" means the content of the document titled "General Terms and Conditions Under the Fiscal Year 2023 Safe Streets and Roads for All ("SS4A") Grant Program," dated November 4, 2025, which is available at https://www.transportation.gov/grants/ss4a/grant-agreements under "Fiscal Year 2023." Articles 7–30 are in the General Terms and Conditions. The General Terms and Conditions are part of this agreement.

(b) The Recipient acknowledges that it has knowledge of the General Terms and Conditions. Recipient also states that it is required to comply with all applicable Federal laws and regulations including, but not limited to, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200); National Environmental Policy Act (NEPA) (42 U.S.C. § 4321 et seq.); and Build America, Buy America Act (IIJA, div. G §§ 70901-27).

(c) The Recipient acknowledges that the General Terms and Conditions impose obligations on the Recipient and that the Recipient's non-compliance with the General Terms and Conditions may result in remedial action, termination of the SS4A Grant, disallowing costs incurred for the Project, requiring the Recipient to refund to the FHWA the SS4A Grant, and reporting the non-compliance in the Federal-government-wide integrity and performance system.

ARTICLE 2
APPLICATION, PROJECT, AND AWARD

2.1 Application.

Application Title: City of Rockville Vision Zero Intersection Safety Audits

Application Date: 07/05/2023

2.2 Award Amount.

SS4A Grant Amount: $320,000

2.3 Federal Obligation Information.

Federal Obligation Type: Single

2.4 Budget Period.

Budget Period: See Block 6 of Page 1

2.5 Grant Designation.

Designation: Planning and Demonstration

ARTICLE 3
SUMMARY PROJECT INFORMATION

3.1 Summary of Project's Statement of Work.

The project will be completed in one phase as follows:

The City of Rockville staff will prepare a request for proposal and procure the services of a transportation planning and engineering contractor to carry out the intersection audits. The city will also coordinate with appropriate state and county agencies to obtain relevant traffic and crash data from the selected intersections. Under City of Rockville staff supervision, the contractor will complete intersection safety audits at the thirty selected intersections. This audit will include field observations, assessment of crash data, evaluation of traffic patterns, signal timings, roadway volumes, traffic speeds, and pedestrian and bicycle movements, as well as review of intersection geometry and lines-of-sight. Once all data has been collected and analyzed, the contractor will prepare an existing conditions report for each intersection highlighting safety challenges to address as well as opportunities to proactively address and improve multimodal facilities and user ability to navigate the selected intersections. After the existing conditions report is shared with the City of Rockville and the public, the contractor will develop a list of recommended improvements to address existing roadway safety challenges and proactive multimodal improvements. These recommended improvements will be organized for each intersection and further organized by improvements that are considered low-cost quick build improvements that the city or relevant agency could undertake within a year and long-term improvements that would require specific budget allocation and additional design and planning. While low-cost quick build improvements will be proposed as part of the final report and deliverable, this project does not include any construction or implementation of the low-cost quick build improvements. The recommended potential improvements will be shared with the city and the public in a final report. The final report will also include a best practices table to identify intersection improvements and the criteria appropriate to warrant those improvements. It is expected that the City of Rockville, in coordination with MDOT SHA, will determine which improvements will be implemented after the completion of this supplemental planning project.

3.2 Project's Estimated Schedule.

Supplemental Planning Schedule

Milestone	Schedule Date
Planned NEPA Completion Date:	3/30/2025
Planned Draft Plan Completion Date:	08/31/2026
Planned Final Plan Completion Date:	10/31/2026
Planned Final Plan Adoption Date:	11/30/2026
Planned SS4A Final Report Date:	12/31/2026

3.3 Project's Estimated Costs.

(a) Eligible Project Costs

Eligible Project Costs	
SS4A Grant Amount:	$320,000
Other Federal Funds:	$0
State Funds:	$0
Local Funds:	$80,000
In-Kind Match:	$0
Other Funds:	$0
Total Eligible Project Cost:	$400,000

(c) Indirect Costs

Indirect costs are allowable under this Agreement in accordance with 2 CFR part 200 and the Recipient's approved Budget Application. In the event the Recipient's indirect cost rate changes, the Recipient will notify FHWA of the planned adjustment and provide supporting documentation for such adjustment. This Indirect Cost provision does not operate to waive the limitations on Federal funding provided in this document. The Recipient's indirect costs are allowable only insofar as they do not cause the Recipient to exceed the total obligated funding.

ARTICLE 4

RECIPIENT INFORMATION

4.1 Recipient Contact(s).

Bryan Barnett-Woods
Principal Transportation Planner
City of Rockville
111 Maryland Avenue, Rockville, Maryland 20850
240-314-8527
bbwoods@rockvillemd.gov

4.2 Recipient Key Personnel.

Name	Title or Position
Emad Elshafei	Chief of Traffic and Transportation
Wahid Hassan	Senior Transportation Engineer

4.3 USDOT Project Contact(s).

Safe Streets and Roads for All Program Manager
Federal Highway Administration
Office of Safety
HSSA-1, Mail Stop: E71-117
1200 New Jersey Avenue, S.E.
Washington, DC 20590
202-366-2822
SS4A.FHWA@dot.gov

and

Agreement Officer (AO)
Federal Highway Administration
Office of Acquisition and Grants Management
HCFA-33, Mail Stop E62-310
1200 New Jersey Avenue, S.E.
Washington, DC 20590
HCFASS4A@dot.gov

and

Division Administrator – Maryland
Agreement Officer's Representative (AOR)
31 Hopkins Plaza, Suite 1520
Baltimore, MD 21201
(410) 962-4054
Maryland.FHWA@dot.gov

and

Keilyn Perez Maryland
Division Office Lead Point of Contact
Competitive Grants Team Leader
31 Hopkins Plaza, Suite 1520
Baltimore, MD 21201
(410) 779-7141
Keilyn.Perez@dot.gov

ARTICLE 5
USDOT ADMINISTRATIVE INFORMATION

5.1 Office for Subaward and Contract Authorization.

USDOT Office for Subaward and Contract Authorization: FHWA Office of Acquisition and Grants Management

SUBAWARDS AND CONTRACTS APPROVAL

Note: See 2 CFR § 200.331, Subrecipient and contractor determinations, for definitions of subrecipient (who is awarded a subaward) versus contractor (who is awarded a contract).

Note: Recipients with a procurement system deemed approved and accepted by the Government or by the Agreement Officer (the "**AO**") are exempt from the requirements of this clause. See 2 CFR 200.317 through 200.327.

In accordance with 2 CFR 200.308(f)(6), the recipient or subrecipient shall obtain prior written approval from the USDOT agreement officer for the subaward, if the subaward activities were not proposed in the application or approved in the Federal award. This provision is in accordance with 2 CFR 200.308 (f) (6) and does not apply to procurement transactions for goods and services. Approval will be issued through written notification from the AO or a formal amendment to the Agreement.

The following subawards and contracts are currently approved under the Agreement by the AO. This list does not include supplies, material, equipment, or general support services which are exempt from the pre-approval requirements of this clause.

5.2 Reimbursement Requests

(a) The Recipient may request reimbursement of costs incurred within the budget period of this agreement if those costs do not exceed the amount of funds obligated and are allowable under the applicable cost provisions of 2 C.F.R. Part 200, Subpart E. The Recipient shall not request reimbursement more frequently than monthly.

(b) The Recipient shall use the DELPHI iSupplier System to submit requests for reimbursement to the payment office. When requesting reimbursement of costs incurred or credit for cost share incurred, the Recipient shall electronically submit supporting cost detail with the SF-270 (Request for Advance or Reimbursement) or SF-271 (Outlay Report and Request for Reimbursement for Construction Programs) to clearly document all costs incurred.

(c) The Recipient's supporting cost detail shall include a detailed breakout of all costs incurred, including direct labor, indirect costs, other direct costs, travel, etc., and the Recipient shall identify the Federal share and the Recipient's share of costs. If the Recipient does not provide sufficient detail in a request for reimbursement, the Agreement Officer's Representative (the "**AOR**") may withhold processing that request until the Recipient provides sufficient detail.

(d) The USDOT shall not reimburse costs unless the AOR reviews and approves the costs to ensure that progress on this agreement is sufficient to substantiate payment.

(e) In the rare instance the Recipient is unable to receive electronic funds transfers (EFT), payment by EFT would impose a hardship on the Recipient because of their inability to manage an account at a financial institution, and/or the Recipient is unable to use the DELPHI iSupplier System to submit their requests for disbursement, the FHWA may waive the requirement that the Recipient use the DELPHI iSupplier System. The Recipient shall contact the Division Office Lead Point of Contact for instructions on and requirements related to pursuing a waiver.

(f) The requirements set forth in these terms and conditions supersede previous financial invoicing requirements for Recipients.

ARTICLE 6
SPECIAL GRANT TERMS

6.1 SS4A funds must be expended within five years after the grant agreement is executed and DOT obligates the funds, which is the budget period end date in section 10.3 of the Terms and Conditions and section 2.4 in this agreement.

6.2. The Recipient demonstrates compliance with civil rights obligations and nondiscrimination laws, including Titles VI of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), and Section 504 of the Rehabilitation Act, and accompanying regulations. Recipients of Federal transportation funding will also be required to comply fully with regulations and guidance for the ADA, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and all other civil rights requirements.

6.3 SS4A Funds will be allocated to the Recipient and made available to the Recipient in accordance with FHWA procedures.

6.4 The Recipient of a Planning and Demonstration Grant acknowledges that the Supplemental Action Plan will be made publicly available and agrees that it will publish the final Supplemental Action Plan on a publicly available website.

6.5 There are no other special grant requirements.

ATTACHMENT A
PERFORMANCE MEASUREMENT INFORMATION

Study Area: City of Rockville

Table 1: Performance Measure Table

Measure	Category and Description	Measurement Frequency and Reporting Deadline
Costs [for all Grants]	Project Costs: Quantification of the cost of each eligible project carried out using the grant	Within 120 days after the end of the period of performance
Lessons Learned and Recommendations [for all Grants]	Lessons Learned and Recommendations: Description of lessons learned and any recommendations relating to future projects or strategies to prevent death and serious injury on roads and streets.	Within 120 days after the end of the period of performance

ATTACHMENT B
CHANGES FROM ORIGINAL GRANT AGREEMENT

Scope: NA

Schedule: To account for longer than expected consultant procurement, the project timeline has been extended to 9/15/2027.

Budget: NA

The table below provides a summary comparison of the project budget.

	Application		**Section 3.3**	
Fund Source	$	%	$	%
Previously Incurred Costs (Non-Eligible Project Costs)				
Federal Funds				
Non-Federal Funds				
Total Previously Incurred Costs				
Future Eligible Project Costs				
SS4AFunds				
Other Federal Funds				
Non-Federal Funds				
Total Future Eligible Project Costs				
Total Project Costs				

CHANGES FROM APPLICATION

Scope: NA

Schedule: NA

Budget: NA

ATTACHMENT C

[RESERVED]

ATTACHMENT D

[RESERVED]

ATTACHMENT E
LABOR AND WORK

6.1 Efforts to Support Good-Paying Jobs and Strong Labor Standards

The Recipient states that rows marked with "X" in the following table are accurate:

X	The Recipient or a project partner promotes robust job creation by supporting good-paying jobs directly related to the project with free and fair choice to join a union. *(Describe robust job creation and identify the good-paying jobs in the supporting narrative below.)*
	The Recipient or a project partner will invest in high-quality workforce training programs such as registered apprenticeship programs to recruit, train, and retain skilled workers, and implement policies such as targeted hiring preferences. *(Describe the training programs in the supporting narrative below.)*
	The Recipient or a project partner will partner with high-quality workforce development programs with supportive services to help train, place, and retain workers in good-paying jobs or registered apprenticeships including through the use of local and economic hiring preferences, linkage agreements with workforce programs, and proactive plans to prevent harassment. *(Describe the supportive services provided to trainees and employees, preferences, and policies in the supporting narrative below.)*
	The Recipient or a project partner will partner and engage with local unions or other worker-based organizations in the development and lifecycle of the project, including through evidence of project labor agreements and/or community benefit agreements. *(Describe the partnership or engagement with unions and/or other worker-based organizations and agreements in the supporting narrative below.)*
	The Recipient or a project partner will partner with communities or community groups to develop workforce strategies. *(Describe the partnership and workforce strategies in the supporting narrative below.)*
	The Recipient or a project partner has taken other actions related to the Project to create good-paying jobs with the free and fair choice to join a union and incorporate strong labor standards. *(Describe those actions in the supporting narrative below.)*
	The Recipient or a project partner has not yet taken actions related to the Project to create good-paying jobs with the free and fair choice to join a union and incorporate strong labor standards but, before beginning construction of the Project, will take relevant actions described in schedule B. *(Identify the relevant actions from schedule B in the supporting narrative below.)*
	The Recipient or a project partner has not taken actions related to the Project to improve good-paying jobs and strong labor standards and will not take those actions under this award.

1. Supporting Narrative.

The City of Rockville Vision Zero Intersection Safety Audits project is a supplemental planning project that requires the review and evaluation of thirty intersections in Rockville with a history of crashes. To conduct the intersection safety audits at this scale, the city will use awarded grant funds to directly hire a qualified consultant or consultant team, which requires technical expertise in multiple fields. This includes transportation and traffic engineering, civil engineering, landscape and street design, transportation safety,

infrastructure project management. Conducting this project within a reasonable time frame will require multiple professionals who are paid a fair wage for their services.

The City of Rockville will follow Federal and local regulations regarding procurement for the transportation engineering and planning consultant firm or consultant team. The city neither prevents consulting firms with or without union employees submitting a proposal for this project nor chooses its consultant based on its union employment. Employees of a selected consultant are free to join or not join a union.

ATTACHMENT F
CRITICAL INFRASTRUCTURE SECURITY AND RESILIENCE

1. Efforts to strengthen the Security and Resilience of Critical Infrastructure against both Physical and Cyber Threats.

The Recipient states that rows marked with "X" in the following table are accurate:

	The Recipient demonstrates, prior to the signing of this agreement, effort to consider and address physical and cyber security risks relevant to the transportation mode and type and scale of the activities.
	The Recipient appropriately considered and addressed physical and cyber security and resilience in the planning, design and oversight of the project, as determined by the Department and the Department of Homeland Security.
	The Recipient complies with 2 CFR 200.216 and the prohibition on certain telecommunications and video surveillance services or equipment.

2. Supporting Narrative.

NA, the City of Rockville Vision Zero Intersection Safety Audits project is a supplemental planning project and does not include the purchase of information technology and/or operational technology.

U.S. DEPARTMENT OF TRANSPORTATION

GENERAL TERMS AND CONDITIONS UNDER THE FISCAL YEAR 2023 SAFE STREETS AND ROADS FOR ALL ("SS4A") GRANT PROGRAM: FHWA PROJECTS

Date: January 4, 2024
Revised: October 1, 2024
Revised: March 17, 2025
Revised: November 4, 2025

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GENERAL TERMS AND CONDITIONS

The Infrastructure Investment and Jobs Act (IIJA; Pub. L. 117–58, November 15, 2021) established the Safe Streets and Roads for All (the "SS4A") Discretionary Grant Program (IIJA Section 24112) and appropriated funds to the United States Department of Transportation (the "**USDOT**") under Division J, Title VIII of IIJA to implement the program. The funds are available to provide Federal financial assistance to support local initiatives to prevent death and serious injury on roads and streets, commonly referred to as "Vision Zero" or "Toward Zero Deaths" initiatives.

The USDOT published a Notice of Funding Opportunity (the "**NOFO**") to solicit applications for Federal financial assistance in Fiscal Year 2023 for the SS4A Discretionary Grant Program (88 Fed. Reg. 22090, April 12, 2023).

These general terms and conditions are incorporated by reference in a project-specific grant agreement under the fiscal year 2023 SS4A grant program. Articles 1–6 are in the project-specific portion of the agreement. The term "Recipient" is defined in the project-specific portion of the agreement. Attachments A through F are project-specific attachments.

ARTICLE 7
PURPOSE

7.1 Purpose. The purpose of this award is to improve roadway safety by significantly reducing or eliminating roadway fatalities and serious injuries through safety action plan development or projects focused on all users, including pedestrians, bicyclists, public transportation users, motorists, personal conveyance and micromobility users, and commercial vehicle operators. The parties will accomplish that purpose by achieving the following objectives:

(1) timely completing the Project; and

(2) ensuring that this award does not substitute for non-Federal investment in the Project, except as proposed in the Grant Application, as modified by section 3.3 and Attachment B.

ARTICLE 8
USDOT ROLE

8.1 Division of USDOT Responsibilities.

(a) The Office of the Secretary of Transportation is ultimately responsible for the USDOT's administration of the SS4A Grant Program.

(b) The Federal Highway Administration (the "**FHWA**") will administer this grant agreement on behalf of the USDOT. In this agreement, the "**Administering Operating Administration**" means the FHWA.

8.2 USDOT Program Contact.

Safe Streets and Roads for All
Federal Highway Administration
Office of Safety
1200 New Jersey Avenue SE
HSSA-1, Mail Drop E71-117
Washington, DC 20590
SS4A.FHWA@dot.gov
(202) 366-2822

ARTICLE 9
RECIPIENT ROLE

9.1 Statements on the Project. The Recipient states that:

(1) all material statements of fact in the Grant Application were accurate when that application was submitted; and

(2) Attachment B documents all material changes in the information contained in that application.

9.2 Statements on Authority and Capacity. The Recipient states that:

(1) it has the authority to receive Federal financial assistance under this agreement;

(2) it has the legal authority to complete the Project, including either ownership and/or maintenance responsibilities over a roadway network; safety responsibilities that affect roadways; or has an agreement from the agency that has ownership and/or maintenance responsibilities for the roadway within the applicant's jurisdiction; if applicable;

(3) it has the capacity, including institutional, managerial, and financial capacity, to comply with its obligations under this agreement;

(4) not less than the difference between the "Total Eligible Project Cost" and the "SS4A Grant Amount" listed in section 3.3 are committed to fund the Project;

(5) it has sufficient funds available, or an agreement with the agency that has ownership and/or maintenance responsibilities for the roadway within the

recipient's jurisdiction, to ensure that infrastructure completed or improved under this agreement will be operated and maintained in compliance with this agreement and applicable Federal law; and

(6) the individual executing this agreement on behalf of the Recipient has authority to enter this agreement and make the statements in this article 9 and in section 24.7 on behalf of the Recipient.

9.3 USDOT Reliance. The Recipient acknowledges that:

(1) the USDOT relied on statements of fact in the Grant Application to select the Project to receive this award;

(2) the USDOT relied on statements of fact in both the Grant Application and this agreement to determine that the Recipient and the Project are eligible under the terms of the NOFO;

(3) the USDOT relied on statements of fact in both the Grant Application and this agreement to establish the terms of this agreement; and

(4) the USDOT's selection of the Project to receive this award prevented awards under the NOFO to other eligible applicants.

9.4 Project Delivery.

(a) The Recipient shall complete the Project under the terms of this agreement.

(b) The Recipient shall ensure that the Project is financed, constructed, operated, and maintained in accordance with all applicable Federal laws, regulations, and policies.

(c) The Recipient shall provide any certifications or assurances deemed necessary by the USDOT in ensuring the Recipient's compliance with all applicable laws, regulations, and policies.

(d) The Recipient shall provide access to records as provided at 2 C.F.R. 200.337.

9.5 Rights and Powers Affecting the Project.

(a) The Recipient shall not take or permit any action that deprives it of any rights or powers necessary to the Recipient's performance under this agreement without written approval of the USDOT.

(b) The Recipient shall act, in a manner acceptable to the USDOT, promptly to acquire, extinguish, or modify any outstanding rights or claims of right of others that would interfere with the Recipient's performance under this agreement.

9.6 Notification of Changes to Key Personnel. The Recipient shall notify all USDOT representatives who are identified in Section 4.3 in writing within 30 calendar days of any change in key personnel who are identified in Section 4.2.

ARTICLE 10
AWARD AMOUNT, OBLIGATION, AND TIME PERIODS

10.1 Federal Award Amount The USDOT hereby awards a SS4A Grant to the Recipient in the amount listed in section 2.2 as the SS4A Grant Amount.

10.2 Federal Obligations.

This agreement obligates funds for the period of performance listed on Page 1, Block 6 of the grant agreement.

(a) If the Federal Obligation Type identified in section 2.3 is "Single," then the project-specific agreement obligates for the budget period the amount listed in section 2.2. as the Grant Amount and sections 10.2 (c)–10.2(f) do not apply to the project specific agreement.

(b) If the Federal Obligation Type identified in section 2.3 is "Multiple," (for phased agreements) then an amount up to the Grant Amount listed in section 2.2 will be obligated with one initial obligation and one or more subsequent, optional obligations, as described in sections 10.2(c)–10.2(f).

(c) The Obligation Condition Table in section 2.3 allocates the Grant funds among separate phases of the Project for the purpose of the Federal obligation of funds. The scope of each phase of the Project that is identified in that table is described in section 2.3.

(d) The project-specific agreement obligates for the budget period only the amounts allocated in the Obligation Condition Table in section 2.3 to portions of the Project for which that table does not list an obligation condition.

(e) The project-specific agreement does not obligate amounts allocated in the Obligation Condition Table in section 2.3 to portions of the Project for which that table lists an obligation condition. The parties may obligate the amounts allocated to those portions of the Project only by modifying the project specific agreement under section 21.

(f) For each portion of the Project for which the Obligation Condition Table in section 2.3 lists an obligation condition, the amount allocated in that table to that portion of the Project will be obligated if the condition is met not later than the date listed in Section 2.4 of the project-specific agreement.

(g) For any portion of the Project for which the Obligation Condition Table in section 2.3 lists an obligation condition, if the obligation condition is satisfied, the parties amend this agreement documenting that:

(1) the FHWA determines that the obligation condition listed in that table for that portion of the Project is satisfied; and

(2) the FHWA determines that all applicable Federal requirements for obligating the amount are satisfied.

(h) The Recipient shall not request reimbursement of costs for a portion of the Project for which the Obligation Condition Table in section 2.3 lists an obligation condition, unless the amount allocated in that table to that portion of the Project is obligated under section 10.2(c)-(f).

(i) Reserved.

(j) The Recipient acknowledges that:

(1) the FHWA is not liable for payments for a portion of the Project for which the Obligation Condition Table in section 2.3 lists an obligation condition, unless the amount allocated in that table to that portion of the Project is obligated under section 10.2(c)-(f);

(2) any portion of the Grant that is not obligated under this section 10.2 by the budget period end date identified in the project-specific agreement for those funds lapses on the day after that date and becomes unavailable for the Project; and

(3) the FHWA may consider the failure to obligate funds by the budget period end date identified in the project-specific agreement as applicable to the Grant Program for those funds to be a basis for terminating the project-specific agreement under section 16.

10.3 Budget Period

The budget period for this award begins on the effective date of this agreement and ends on the budget period end date that is listed in section 2.4, which shall be no later than 5 years from the date of grant execution. In this agreement, "budget period" is used as defined at 2 C.F.R. 200.1.

10.4 Period of Performance.

(a) The period of performance for this award begins on the effective date of award listed in page 1 item 2 and ends on the period of performance end date that is listed in Page 1, Block 6.

(b) In this agreement, "period of performance" is used as defined at 2 C.F.R. 200.1.

ARTICLE 11
STATEMENT OF WORK, SCHEDULE, AND BUDGET CHANGES

11.1 Notification Requirement. The Recipient shall notify all USDOT representatives who are identified in section 4.4 in writing within 30 calendar days of any change in circumstances or commitments that adversely affect the Recipient's plan to complete the Project. In that notification, the Recipient shall describe the change and what actions the Recipient has taken or plans to take to ensure completion of the Project. This notification requirement under this section 11.1 is separate from any requirements under this article 11 that the Recipient request amendment of this agreement.

11.2 Statement of Work Changes. If the Project's activities differ from the statement of work that is described in section 3.1 and Attachment B, then the Recipient shall request an amendment of this agreement to update section 3.1.

11.3 Schedule Changes. If one or more of the following conditions are satisfied, then the Recipient shall request an amendment of this agreement to update the relevant dates:

(1) a substantial completion date for the Project or a component of the Project that is listed in section 3.2 and the Recipient's estimate for that milestone changes to a date that is more than six months after the date listed in section 3.2; or

(2) a schedule change would require the period of performance to continue after the period of performance end date listed on Page 1, Block 6. (i.e., for projects with multiple phases, changes to the base phase budget period end date for projects with two phases, or changes to base or secondary phase budget period end dates for projects with three phases, etc., will not trigger notification/modification requirements).

For other schedule changes, the Recipient shall request an amendment of this agreement unless the USDOT has consented, in writing consistent with applicable requirements, to the change.

11.4 Budget Changes.

(a) The Recipient acknowledges that if the cost of completing the Project increases:

(1) that increase does not affect the Recipient's obligation under this agreement to complete the Project; and

(2) the USDOT will not increase the amount of this award to address any funding shortfall.

(b) The Recipient shall request an amendment of this agreement to update section 3.3 and Attachment B if, in comparing the Project's budget to the amounts listed in section 3.3:

(1) the "Non-Federal Funds" amount decreases; or

(2) the "Total Eligible Project Cost" amount decreases.

(c) For budget changes that are not identified in section 11.4(b), the Recipient shall request an amendment of this agreement to update section 3.3 and Attachment B unless the USDOT has consented, in writing consistent with applicable requirements, to the change.

(d) If the actual eligible project costs are less than the "Total Eligible Project Cost" that is listed in section 3.3, then the Recipient may propose to the USDOT, in writing consistent with applicable requirements, specific additional activities that are within the scope of this award, as defined in sections 7.1 and 3.1, and that the Recipient could complete with the difference between the "Total Eligible Project Cost" that is listed in section 3.3 and the actual eligible project costs.

(e) If the actual eligible project costs are less than the "Total Eligible Project Cost" that is listed in section 3.3 and either the Recipient does not make a proposal under section 11.4(d) or the USDOT does not accept the Recipient's proposal under section 11.4(d), then:

(1) in a request under section 11.4(b), the Recipient shall reduce the Federal Share by the difference between the "Total Eligible Project Cost" that is listed in section 3.3 and the actual eligible project costs; and

(2) if that amendment reduces this award and the USDOT had reimbursed costs exceeding the revised award, the Recipient shall request to add additional project work that is within the scope of this project.

In this agreement, "**Federal Share**" means the sum of the "SS4A Grant Amount" and the "Other Federal Funds" amounts that are listed in section 3.3(a).

(f) The Recipient acknowledges that amounts that are required to be refunded under section 11.4(e)(2) constitute a debt to the Federal Government that the USDOT may collect under 2 C.F.R. 200.346 and the Standards for Administrative Collection of Claims (31 C.F.R. part 901).

11.5 USDOT Acceptance of Changes. The USDOT may accept or reject amendments requested under this article 11, and in doing so may elect to consider only the interests of the SS4A grant program and the USDOT. The Recipient acknowledges that requesting an amendment under this article 11 does not amend, modify, or supplement this agreement unless the USDOT accepts that amendment request and the parties modify this agreement under section 21.1.

ARTICLE 12
GENERAL REPORTING TERMS

12.1 Report Submission. The Recipient shall send all reports required by this agreement to all USDOT contacts who are listed in section 4.4. Reports will be added to a central repository maintained by FHWA.

12.2 Alternative Reporting Methods. FHWA may establish processes for the Recipient to submit reports required by this agreement, including electronic submission processes. If the Recipient is notified of those processes in writing, the Recipient shall use the processes required by the FHWA.

12.3 Paperwork Reduction Act Notice.

Under 5 C.F.R. 1320.6, the Recipient is not required to respond to a collection of information that does not display a currently valid control number issued by the Office of Management and Budget (the "**OMB**"). Collections of information conducted under this agreement are approved under OMB Control No. 2125-0675.

ARTICLE 13
PROGRESS AND FINANCIAL REPORTING

13.1 Quarterly Performance Progress Reports. Quarterly, on or before the 20th day of the first month of each calendar year (e.g., reports due on or before January 20th, April 20th, July 20th, and October 20th) and until the end of the period of performance, the Recipient shall submit to the USDOT a Quarterly Performance Progress Report in the format and with the content described in Exhibit C. If the date of this agreement is in the final month of a calendar year, then the Recipient shall submit the first Quarterly Performance Progress Report in the second calendar year quarter that begins after the date of this agreement.

13.2 Quarterly Financial Status. Quarterly, on or before the 20th day of the first month of each calendar year (e.g., reports due on or before January 20th, April 20th, July 20th, and October 20th) and until the end of the period of performance, the Recipient shall submit a Federal Financial Report using SF-425.

ARTICLE 14
PERFORMANCE REPORTING

14.1 Baseline Performance Measurement. Recipients of Implementation Grants or Planning and Demonstration Grants with demonstration activities shall:

(1) collect data for each performance measure that is identified in the Performance Measure Table in Attachment A, accurate as of the Baseline Measurement Date that is identified in Attachment A; and

(2) on or before the Baseline Report Date that is stated in Attachment A, the Recipient shall submit a Baseline Performance Measurement Report that contains the data collected under this section 14.1 and a detailed description of the data sources, assumptions, variability, and estimated levels of precision for each performance measure that is identified in the Performance Measure Table in Attachment A.

14.2 SS4A Final Report: The Recipient shall submit to the USDOT, not later than 120 days after the end of the period of performance, a report in the format specified by FHWA and with the content described in Attachment A that describes, consistent with sections 24112(g)-(h) of IIJA:

(1) the costs of each eligible project and strategy carried out using the grant;

(2) the roadway safety outcomes and any additional benefits (e.g., increased walking, biking, or transit use without a commensurate increase in serious and fatal crashes, etc.) that each such project and strategy has generated, as—

- identified in the grant application; and
- measured by data to the maximum extent practicable; and

(3) [RESERVED]

(4) the lessons learned, and any recommendations related to future projects or strategies to prevent death and serious injuries on roads and streets.

14.3 Performance Measurement Information.

For each performance measure identified to be submitted annually in the Performance Measure Table in Attachment A, not later than January 31 of each year, the Recipient shall submit to the USDOT a Performance Measurement Report containing the data collected in the previous calendar year and stating the dates when the data was collected.

14.4 Performance Reporting Survival.

The data collection and reporting requirements in this article 14 survive the termination of this agreement which is three years post period of performance.

14.5 Program Evaluation.

As a condition of grant award, the recipient may be required to participate in an evaluation undertaken by USDOT, or another agency or partner. The evaluation may take different forms such as an implementation assessment across grant recipients, an impact and/or outcomes analysis of all or selected sites within or across grant recipients, before/after photographs of the sites, qualitative activities such as videos describing the project and its impact on the community, or a benefit/cost analysis or assessment of return on investment. The Department may require applicants to collect data elements to aid the evaluation. As a part of the evaluation, as a condition of award, grant recipients must agree to: (1) make records available to the evaluation contractor; (2) provide access to program records, and any other relevant documents to calculate costs and benefits; (3) in the case of an impact analysis, facilitate the access to relevant information as requested; and (4) follow evaluation procedures as specified by the evaluation contractor or USDOT staff.

ARTICLE 15
NONCOMPLIANCE AND REMEDIES

15.1 Noncompliance Determinations.

(a) If the USDOT determines that the Recipient may have failed to comply with the United States Constitution, Federal law, or the terms and conditions of this agreement, the USDOT may notify the Recipient of a proposed determination of noncompliance. For the notice to be effective, it must be written and the USDOT must include an explanation of the nature of the noncompliance, describe a remedy, state whether that remedy is proposed or effective at an already determined date, and describe the process through and form in which the Recipient may respond to the notice.

(b) If the USDOT notifies the Recipient of a proposed determination of noncompliance under section 15.1(a), the Recipient may, not later than 7 calendar days after the notice, respond to that notice in the form and through the process described in that notice. In its response, the Recipient may:

(1) accept the remedy;

(2) acknowledge the noncompliance, but propose an alternative remedy; or

(3) dispute the noncompliance.

To dispute the noncompliance, the Recipient must include in its response documentation or other information supporting the Recipient's compliance.

(c) The USDOT may make a final determination of noncompliance only:

(1) after considering the Recipient's response under section 15.1(b); or

(2) if the Recipient fails to respond under section 15.1(b), after the time for that response has passed.

(d) To make a final determination of noncompliance, the USDOT must provide a notice to the Recipient that states the basis for that determination.

15.2 Remedies.

(a) If the USDOT makes a final determination of noncompliance under section 15.1(d), the USDOT may impose a remedy, including:

(1) additional conditions on the award;

(2) any remedy permitted under 2 C.F.R. 200.339–200.340, including withholding of payments; disallowance of previously reimbursed costs, requiring refunds from the Recipient to USDOT; suspension or termination of the award; or suspension and disbarment under 2 C.F.R. part 180; or

(3) any other remedy legally available.

(b) To impose a remedy, the USDOT must provide a written notice to the Recipient that describes the remedy, but the USDOT may make the remedy effective before the Recipient receives that notice.

(c) If the USDOT determines that it is in the public interest, the USDOT may impose a remedy, including all remedies described in section 15.2(a), before making a final determination of noncompliance under section 15.1(d). If it does so, then the notice provided under section 15.1(d) must also state whether the remedy imposed will continue, be rescinded, or modified.

(d) In imposing a remedy under this section 15.2 or making a public interest determination under section 15.2(c), the USDOT may elect to consider the interests of only the USDOT.

(e) The Recipient acknowledges that amounts that the USDOT requires the Recipient to refund to the USDOT due to a remedy under this section 15.2 constitute a debt to the Federal Government that the USDOT may collect under 2 C.F.R. 200.346 and the Standards for Administrative Collection of Claims (31 C.F.R. part 901).

15.3 Other Oversight Entities.

Nothing in this article 15 limits any party's authority to report activity under this agreement to the United States Department of Transportation Inspector General or other appropriate oversight entities.

ARTICLE 16
AGREEMENT TERMINATION

16.1 USDOT Termination.

(a) The USDOT may terminate this agreement and all its obligations under this agreement if any of the following occurs:

(1) the Recipient fails to obtain or provide any non-SS4A Grant contribution (all eligible project costs other than the SS4A Grant Amount, as described in section 3.3(a) of the grant agreement) or alternatives approved by the USDOT as provided in this agreement and consistent with article 3;

(2) a construction start date for the project or strategy is listed in section 3.2 and the Recipient fails to meet that milestone by six months after the date listed in section 3.2;

(3) a substantial completion date for the project or strategy is listed in section 3.2 and the Recipient fails to meet that milestone by six months after the date listed in section 3.2;

(4) the Recipient fails to comply with the terms and conditions of this agreement, including a material failure to comply with the schedule in section 3.2 even if it is beyond the reasonable control of the Recipient; or,

(5) the USDOT determines that termination of this agreement is in the public interest.

(6) the Recipient fails to expend the funds within 5 years after the date on which the government executes the grant agreement, which is the date funds are provided for the project.

(b) In terminating this agreement under this section, the USDOT may elect to consider only the interests of the USDOT.

(c) This section 16.1 does not limit the USDOT's ability to terminate this agreement as a remedy under section 15.2.

(d) The Recipient may request that the USDOT terminate the agreement under this section 16.1.

16.2 Closeout Termination.

(a) This agreement terminates on Project Closeout.

(b) In this agreement, "**Project Closeout**" means the date that the USDOT notifies the Recipient that the award is closed out. Under 2 C.F.R. 200.344, Project Closeout should occur no later than one year after the end of the period of performance.

16.3 Post-Termination Adjustments. The Recipient acknowledges that under 2 C.F.R. 200.345–200.346, termination of the agreement does not extinguish the USDOT's authority to disallow costs, including costs that USDOT reimbursed before termination, and recover funds from the Recipient.

16.4 Non-Terminating Events.

(a) The end of the period of performance described under section 10.4 does not terminate this agreement or the Recipient's obligations under this agreement.

(b) The liquidation of funds under section 20.1 does not terminate this agreement or the Recipient's obligations under this agreement.

16.5 Other Remedies. The termination authority under this article 16 supplements and does not limit the USDOT's remedial authority under article 15 or 2 C.F.R. part 200, including 2 C.F.R. 200.339–200.340.

ARTICLE 17
MONITORING, FINANCIAL MANAGEMENT, CONTROLS, AND RECORDS

17.1 Recipient Monitoring and Record Retention.

(a) The Recipient shall monitor activities under this award, including activities under subawards and contracts, to ensure:

(1) that those activities comply with this agreement; and

(2) that funds provided under this award are not expended on costs that are not allowable under this award or not allocable to this award.

(b) If the Recipient makes a subaward under this award, the Recipient shall monitor the activities of the subrecipient in compliance with 2 C.F.R. 200.332(e).

(c) The Recipient shall retain records relevant to the award as required under 2 C.F.R. 200.334.

17.2 Financial Records and Audits.

(a) The Recipient shall keep all project accounts and records that fully disclose the amount and disposition by the Recipient of the award funds, the total cost of the project, and the amount or nature of that portion of the cost of the project supplied by other sources, and any other financial records related to the project.

(b) The Recipient shall keep accounts and records described under section 17.2(a) in accordance with a financial management system that meets the requirements of 2 C.F.R. 200.302–200.307, 2 C.F.R. part 200, subpart F, and title 23, United States Code, and will facilitate an effective audit in accordance with 31 U.S.C. 7501–7506.

(c) The Recipient shall separately identify expenditures under the fiscal year 2023 SS4A grants program in financial records required for audits under 31 U.S.C. 7501–7506. Specifically, the Recipient shall:

(1) list expenditures under that program separately on the schedule of expenditures of Federal awards required under 2 C.F.R. part 200, subpart F, including "FY 2023" in the program name; and

(2) list expenditures under that program on a separate row under Part II, Item 1 ("Federal Awards Expended During Fiscal Period") of Form SF-SAC, including "FY 2023" in column c ("Additional Award Identification").

17.3 Internal Controls. The Recipient shall establish and maintain internal controls as required under 2 C.F.R. 200.303.

17.4 USDOT Record Access. The USDOT may access Recipient records related to this award under 2 C.F.R. 200.337.

ARTICLE 18
CONTRACTING AND SUBAWARDS

18.1 Build America, Buy America. This award term implements § 70914(a) of the Build America, Buy America Act, Pub. L. No. 117-58, div. G, tit. IX, subtitle A, 135 Stat. 429, 1294 (2021), 2 CFR part 184, and Office of Management and Budget (OMB) Memorandum M-24-02, "Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure."

Requirement to Use Iron, Steel, Manufactured Products, and Construction Materials Produced in the United States.

The Recipient shall not use funds provided under this award for a project for infrastructure unless:

(1) all iron and steel used in the project are produced in the United States—this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;

(2) all manufactured products used in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or

manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product; and

(3) all construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States.

Inapplicability.

The domestic content procurement preference in this award term only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

Waivers.

When necessary, the Recipient may apply for, and the USDOT may grant, a waiver from the domestic content procurement preference in this award term.

A request to waive the application of the domestic content procurement preference must be in writing. The USDOT will provide instructions on the waiver process and on the format, contents, and supporting materials required for any waiver request. Waiver requests are subject to public comment periods of no less than 15 days and must be reviewed by the Office of Management and Budget (OMB) Made in America Office.

When the USDOT has made a determination that one of the following exceptions applies, the awarding official may waive the application of the domestic content procurement preference in any case in which the USDOT determines that:

(1) applying the domestic content procurement preference would be inconsistent with the public interest;

(2) the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or

(3) the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

There may be instances where an award qualifies, in whole or in part, for an existing waiver described at https://www.transportation.gov/office-policy/transportation-policy/made-in-america.

Definitions

"Construction materials" means articles, materials, or supplies —that consist of only one of the items listed below in paragraph (1) of this definition, except as provided in paragraph (2) of this definition. To the extent that one of the items listed in paragraph (1) contains as inputs other items listed in paragraph (1), it is nonetheless a construction material:

(1) The listed Items are:

- non-ferrous metals;
- plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
- glass (including optic glass);
- fiber optic cable (including drop cable)
- optical fiber;
- lumber;
- engineered wood; and
- drywall.

(2) Minor additions of articles, materials, supplies, or binding agents to a construction material do not change the categorization of the construction material.

"Domestic content procurement preference" means all iron and steel used in the project are produced in the United States; the manufactured products used in the project are produced in the United States; or the construction materials used in the project are produced in the United States.

"Iron or steel products" means articles, materials, or supplies that consist wholly or predominantly or iron or steel or a combination of both.

"Manufactured products" means:

(1) Articles, materials, or supplies that have been: (i) Processed into a specific form and shape; or (ii) combined with other articles, materials, or supplies to create a product with different properties than the individual articles, materials, or supplies.

(2) If an item is classified as an iron or steel product, a construction material, or a Section 70917(c) material under 2 CFR 184.4(e) and the definitions set forth in 2 CFR 184.3, then it is not a manufactured product. However, an article, material, or supply classified as a manufactured product under 2 CFR 184.4(e) and paragraph (1) of this definition may include components that are construction materials, iron or steel products, or Section 70917(c) materials.

"Predominantly of iron or steel or a combination of both" means that the cost of the iron and steel content exceeds 50 percent of the total cost of all its components. The cost of iron and steel is the cost of the iron or steel mill products (such as bar, billet, slab, wire, plate, or sheet), castings, or forging utilized in the manufacture of the product and a good faith estimate of the cost of iron or steel components.

"Project" means temporary or permanent construction, alteration, maintenance, or repair of infrastructure in the United States.

"Section 70917(c) materials" cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives.

18.2 Small and Disadvantaged Business Requirements. The Recipient shall expend all funds under this award in compliance with the requirements at 2 C.F.R. 200.321 including any amendments thereto.

18.3 Engineering and Design Services. The Recipient shall award each contract or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping, or related services with respect to the project in the same manner that a contract for architectural and engineering services is negotiated under 2 C.F.R. 200.320 or an equivalent qualifications-based requirement prescribed for or by the Recipient.

18.4 Foreign Market Restrictions. The Recipient shall not allow funds provided under this award to be used to fund the use of any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

18.5 Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment. The Recipient acknowledges that Section 889 of Pub. L. No. 115-232, 2 C.F.R. 200.216 and 2 C.F.R. 200.471 prohibit the Recipient and all subrecipients from procuring or obtaining certain telecommunications and video surveillance services or equipment under this award.

18.6 Recipient Responsibilities for Subawards. If the Recipient makes a subaward under this award, the Recipient shall comply with the requirements on pass-through entities under 2 C.F.R. parts 200 and 1201, including 2 C.F.R. 200.331–200.333.

18.7 Subaward and Contract Authorization. If the USDOT Office for Subaward Authorization identified in section 5.1 is "FHWA Office of Acquisition and Grants Management," then the Recipient must follow the requirements in 2 C.F.R. 200.308 (f)(6) and 2 C.F.R. 200.333, as applicable, for the subaward of any SS4A Grant work under the Project-Specific Agreement. Approvals under 2 CFR 200.308(f)(6) do not apply to the procurement acquisition of goods and services.

ARTICLE 19
COSTS, PAYMENTS, AND UNEXPENDED FUNDS

19.1 Limitation of Federal Award Amount. Under this award, the USDOT shall not provide funding greater than the amount obligated on the SS4A Grant cover page, Item 11, Federal Funds Obligated. The Recipient acknowledges that USDOT is not liable for payments exceeding that amount, and the Recipient shall not request reimbursement of costs exceeding that amount.

19.2 Projects Costs. This award is subject to the cost principles at 2 C.F.R. part 200 subpart E, including provisions on determining allocable costs and determining allowable costs.

19.3 Timing of Project Costs.

(a) The Recipient shall not charge to this award costs that are incurred after the period of performance.

(b) The Recipient shall not charge to this award costs that were incurred before the effective date of award of this agreement, unless there has been an approval of pre-award costs under 2 C.F.R. 200.458.

19.4 Recipient Recovery of Federal Funds. The Recipient shall make all reasonable efforts, including initiating litigation, if necessary, to recover Federal funds if the USDOT determines, after consultation with the Recipient, that those funds have been spent fraudulently, wastefully, or in violation of Federal laws, or misused in any manner under this award. The Recipient shall not enter a settlement or other final position, in court or otherwise, involving the recovery of funds under the award unless approved in advance in writing by the USDOT.

19.5 Unexpended Federal Funds. Any Federal funds that are awarded at section 10.1 but not expended on allocable, allowable costs remain the property of the United States.

19.6 Timing of Payments to the Recipient. When reimbursement is used, the Recipient shall not request reimbursement of a cost before the Recipient has entered an obligation for that cost.

19.7 Payment Method. The USDOT may deny a payment request that is not submitted using the method identified in section 5.2.

19.8 Information Supporting Expenditures

(a) If the USDOT Payment System identified in section 5.2 is "DELPHI iSupplier," then when requesting reimbursement of costs incurred or credit for cost share incurred, the Recipient shall electronically submit the SF-270 (Request for Advance or Reimbursement) or SF-271 (Outlay Report and Request for Reimbursement for Construction Programs), shall identify the Federal share and the Recipient's share of costs, and shall submit supporting cost detail to clearly document all costs incurred. As supporting cost detail, the Recipient shall include a detailed breakout of all costs incurred, including direct labor, indirect costs, other direct costs, and travel.

(b) If the Recipient submits a request for reimbursement that the USDOT determines does not include or is not supported by sufficient detail, the USDOT may deny the request or withhold processing the request until the Recipient provides sufficient detail.

19.9 Reimbursement Frequency. If the USDOT Payment System identified in section 5.2 is "DELPHI iSupplier," then the Recipient shall not request reimbursement more frequently than monthly.

19.10 Match. The recipient should show on each request for reimbursement that at least 20 percent of the incurred costs will count towards match. If the recipient intends to vary the match percentage over the life of the project, it must communicate its plan to USDOT. The recipient is responsible for tracking match according to the plan. At the completion of the grant award, the cost share requirement must be met, and Federal funds must not exceed the project's Federal share.

ARTICLE 20
LIQUIDATION, ADJUSTMENTS, AND FUNDS AVAILABILITY

20.1 Liquidation of Recipient Obligations.

(a) The Recipient shall liquidate all obligations of award funds under this agreement not later than the earlier of (1) 120 days after the end of the period of performance or (2) the statutory availability to eligible entities date, which shall be 5 years after the date on which the grant is provided.

(b) Liquidation of obligations and adjustment of costs under this agreement follow the requirements of 2 C.F.R. 200.344–200.346.

ARTICLE 21
AGREEMENT MODIFICATIONS

21.1 Bilateral Amendments. The parties may amend, modify, or supplement this agreement by mutual agreement in writing signed by the USDOT and the Recipient. Either party may request to amend, modify, or supplement this agreement by written notice to the other party.

21.2 Unilateral Contact Modifications.

(a) The USDOT may update the contacts who are listed in sections 4.4 by written notice to all of the Recipient contacts who are listed in section 4.3.

21.3 USDOT Unilateral Modifications.

(a) The USDOT may unilaterally modify this agreement to comply with Federal law, including the Program Statute.

(b) To unilaterally modify this agreement under this section 21.3(a), the USDOT must provide a notice to the Recipient that includes a description of the modification and state the date that the modification is effective.

21.4 Other Modifications. The parties shall not amend, modify, or supplement this agreement except as permitted under sections 21.1, 21.2, or 21.3. If an amendment, modification, or supplement is not permitted under section 21.1, not permitted under section 21.2, and not permitted under section 21.3, it is void.

ARTICLE 22
[RESERVED]

ARTICLE 23
[RESERVED]

ARTICLE 24
FEDERAL FINANCIAL ASSISTANCE, ADMINISTRATIVE, AND NATIONAL POLICY REQUIREMENTS

24.1 Uniform Administrative Requirements for Federal Awards. The Recipient shall comply with the obligations on non-Federal entities under 2 C.F.R. parts 200 and 1201.

24.2 Federal Law and Public Policy Requirements.

(a) The Recipient shall ensure that Federal funding is expended in full accordance with the United States Constitution, Federal law, and statutory and public policy requirements: including but not limited to, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination.

(b) Pursuant to Executive Order 14173, Ending Illegal Discrimination And Restoring Merit-Based Opportunity, the Recipient agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code.

(c) Pursuant to Executive Order 14173, Ending Illegal Discrimination And Restoring Merit-Based Opportunity, by entering into this agreement, the Recipient certifies that it does not operate any programs promoting diversity, equity, and inclusion (DEI) initiatives that violate any applicable Federal anti-discrimination laws.

(d) The failure of this agreement to expressly identify Federal law applicable to the Recipient or activities under this agreement does not make that law inapplicable.

24.3 Federal Freedom of Information Act.

(a) The USDOT is subject to the Freedom of Information Act, 5 U.S.C. 552.

(b) The Recipient acknowledges that the Technical Application and materials submitted to the USDOT by the Recipient related to this agreement may become USDOT records subject to public release under 5 U.S.C. 552.

24.4 History of Performance. Under 2 C.F.R 200.206, any Federal agency may consider the Recipient's performance under this agreement when evaluating the risks of making a future Federal financial assistance award to the Recipient.

24.5 Whistleblower Protection.

(a) The Recipient acknowledges that it is a "grantee" within the scope of 41 U.S.C. 4712, which prohibits the Recipient from taking certain actions against an employee for certain disclosures of information that the employee reasonably believes are evidence of gross mismanagement of this award, gross waste of Federal funds, or a violation of Federal law related this this award.

(b) The Recipient shall inform its employees in writing of the rights and remedies provided under 41 U.S.C. 4712, in the predominant native language of the workforce.

24.6 External Award Terms and Obligations.

(a) In addition to this document and the contents described in article 29, this agreement includes the following additional terms as integral parts:

(1) Appendix A to 2 C.F.R. part 25: System for Award Management and Universal Identifier Requirements;

(2) Appendix A to 2 C.F.R. part 170: Reporting Subawards and Executive Compensation;

(3) 2 C.F.R part 175: Award Term for Trafficking in Persons; and

(4) Appendix XII to 2 C.F.R. part 200: Award Term and Condition for Recipient Integrity and Performance Matters.

(b) The Recipient shall comply with:

(1) 49 C.F.R. part 20: New Restrictions on Lobbying;

(2) 49 C.F.R. part 21: Nondiscrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964;

(3) 49 C.F.R. part 27: Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance; and

(4) Subpart B of 49 C.F.R. part 32: Governmentwide Requirements for Drug-free Workplace (Financial Assistance).

24.7 Incorporated Certifications. The Recipient makes the statements in the following certifications, which are incorporated by reference:

(1) Appendix A to 49 C.F.R. part 20 (Certification Regarding Lobbying).

ARTICLE 25
ASSIGNMENT

25.1 Assignment Prohibited. The Recipient shall not transfer to any other entity any discretion granted under this agreement, any right to satisfy a condition under this agreement, any remedy under this agreement, or any obligation imposed under this agreement.

ARTICLE 26
WAIVER

26.1 Waivers.

(a) A waiver granted by USDOT under this agreement will not be effective unless it is in writing and signed by an authorized representative of USDOT.

(b) A waiver granted by USDOT under this agreement on one occasion will not operate as a waiver on other occasions.

(c) If USDOT fails to require strict performance of a provision of this agreement, fails to exercise a remedy for a breach of this agreement, or fails to reject a payment during a breach of this agreement, that failure does not constitute a waiver of that provision or breach.

ARTICLE 27
ADDITIONAL TERMS AND CONDITIONS

27.1 Effect of Planning and Demonstration or Implementation Award. Based on information that the Recipient provided to the USDOT, including the Grant Application, as indicated in section 2.5, this agreement designates this award as a Planning and Demonstration award or an Implementation award, as defined in the NOFO. The Recipient shall comply with the requirements that accompany that designation as listed in the FY 2023 Notice of Funding Opportunity for Safe Streets and Roads for All.

27.2 Disclaimer of Federal Liability. The USDOT shall not be responsible or liable for any damage to property or any injury to persons that may arise from, or be incident to, performance or compliance with this agreement.

27.3 Environmental Review

(a) In this section, **"Environmental Review Entity"** means:

(1) if the Project is located in a State that has assumed responsibilities for environmental review activities under 23 U.S.C. 326 or 23 U.S.C. 327 and the Project is within the scope of the assumed responsibilities, the State; and

(2) for all other cases, the FHWA.

(b) Except as authorized under section 27.3(c), the Recipient shall not begin final design; acquire real property, construction materials, or equipment; begin construction; or take other actions that represent an irretrievable commitment of resources for the Project unless and until:

(1) the Environmental Review Entity complies with the National Environmental Policy Act, 42 U.S.C. 4321 to 4370m-12, and any other applicable environmental laws and regulations; and

(2) if the Environmental Review Entity is not the Recipient, the Environmental Review Entity provides the Recipient with written notice that the environmental review process is complete.

(c) If the Recipient is using procedures for early acquisition of real property under 23 C.F.R. 710.501 or hardship and protective acquisitions of real property 23 C.F.R. 710.503, the Recipient shall comply with 23 C.F.R. 771.113(d)(1).

(d) The Recipient acknowledges that:

(1) the Environmental Review Entity's actions under section 27.3(a) depend on the Recipient conducting necessary environmental analyses and submitting necessary documents to the Environmental Review Entity; and

(2) applicable environmental statutes and regulation may require the Recipient to prepare and submit documents to other Federal, State, and local agencies.

(e) Consistent with 23 C.F.R. 771.105(a), to the extent practicable and consistent with Federal law, the Recipient shall coordinate all environmental investigations, reviews, and consultations as a single process.

(f) The activities described in this agreement may inform environmental decision-making processes, but the parties do not intend this agreement to document the alternatives under consideration under those processes. If a build alternative is selected that does not align information in this agreement, then:

(1) the parties may amend this agreement under section 21.1 for consistency with the selected build alternative; or

(2) if the USDOT determines that the condition at section 16.1(a)(5) is satisfied, the USDOT may terminate this agreement under section 16.1(a)(5).

(g) The Recipient shall complete any mitigation activities described in the environmental document or documents for the Project, including the terms and conditions contained in the required permits and authorizations for the Project.

27.4 Railroad Coordination. If the agreement includes one or more milestones identified as a "Railroad Coordination Agreement," then for each of those milestones, the Recipient shall enter a standard written railroad coordination agreement, consistent with 23 C.F.R. 646.216(d), no later than the deadline date identified for that milestone, with the identified railroad for work and operation within that railroad's right-of-way.

27.5 Relocation and Real Property Acquisition.

(a) The Recipient shall comply with the land acquisition policies in 49 C.F.R. part 24 subpart B and shall pay or reimburse property owners for necessary expenses as specified in that subpart.

(b) The Recipient shall provide a relocation assistance program offering the services described in 49 C.F.R. part 24 subpart C and shall provide reasonable relocation payments and assistance to displaced persons as required in 49 C.F.R. part 24 subparts D–E.

(c) The Recipient shall make available to displaced persons, comparable replacement dwellings in accordance with 49 C.F.R. part 24.

27.6 Equipment Disposition.

(a) In accordance with 2 C.F.R. 200.313 and 1201.313, if the Recipient or a subrecipient acquires equipment under this award, then when that equipment is no longer needed for the Project that entity shall request disposition instructions from the FHWA.

(b) In accordance with 2 C.F.R. 200.443(d), the distribution of the proceeds from the disposition of equipment must be made in accordance with 2 C.F.R. 200.310–200.316 and 2 C.F.R. 1201.313.

(c) The Recipient shall ensure compliance with this section (27.6) for all tiers of subawards under this award.

ARTICLE 28
MANDATORY AWARD INFORMATION

28.1 Information Contained in a Federal Award. For 2 C.F.R. 200.211:

(1) the "Federal Award Date" is the date of this agreement, as defined under section 30.2;

(2) the "Assistance Listings Number" is 20.939 and the "Assistance Listings Title" is "Safe Streets and Roads for All Grant Program"; and

(3) this award is not for research and development.

ARTICLE 29
CONSTRUCTION AND DEFINITIONS

29.1 Attachments. This agreement includes the following attachments as integral parts unless Attachment D is not required for certain Grants:

Attachment A	Performance Measurement Information
Attachment B	Changes from Application
Attachment C	[RESERVED]
Attachment D	[RESERVED]
Attachment E	Labor and Workforce
Attachment F	Critical Infrastructure Security and Resilience

29.2 Exhibits. The following exhibits, which are in the document titled "Exhibits to FHWA Grant Agreements Under the Fiscal Year 2023 SS4A Grant Program", dated March 17, 2025 and available at https://www.transportation.gov/grants/ss4a/grant-agreements, are part of this agreement.

Exhibit A	Applicable Federal Laws and Regulations
Exhibit B	Additional Standard Terms
Exhibit C	Quarterly Performance Progress Reports: Format and Content
Exhibit D	Form for Subsequent Obligation of Funds

29.3 Construction. If a provision in the exhibits or the attachments conflicts with a provision in articles 1–2830, then the provision in articles 1–2830 prevails. If a provision in the attachments conflicts with a provision in the exhibits, then the provision in the attachments prevails.

29.4 Integration. This agreement constitutes the entire agreement of the parties relating to the SS4A grant program and awards under that program and supersedes any previous agreements, oral or written, relating to the SS4A grant program and awards under that program.

29.5 Definitions. In this agreement, the following definitions apply:

"**Program Statute**" means the IIJA section 24112 and statutory text under the heading "Safe Streets and Roads for All Grants" in title I of division J of the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 (November 15, 2021), and all other provisions of that act that apply to amounts appropriated under that heading.

"**Project**" means the project proposed in the Grant Application, as modified by the negotiated provisions of this agreement.

"**SS4A Grant**" means an award of funds that were made available under the SS4A NOFO.

"**Grant Application**" means the application identified in section 2.1, including Standard Form 424 and all information and attachments submitted with that form through Grants.gov.

ARTICLE 30
AGREEMENT EXECUTION AND EFFECTIVE DATE

30.1 Counterparts. This agreement may be executed in counterparts, which constitute one document. The parties intend each countersigned original to have identical legal effect.

30.2 Effective Date. The agreement will become effective when all parties have signed it. The effective date of this agreement will be the date this agreement is signed by the last party to sign it. This instrument constitutes a SS4A Grant when the USDOT's authorized representative signs it.

U.S. DEPARTMENT OF TRANSPORTATION

EXHIBITS TO FHWA GRANT AGREEMENTS UNDER THE FISCAL YEAR 2023 SAFE STREETS AND ROADS FOR ALL (SS4A) GRANT PROGRAM

January 4, 2024
Revised: March 17, 2025
Revised: November 4, 2025

EXHIBIT A
APPLICABLE FEDERAL LAWS AND REGULATIONS

By entering into this agreement for a FY 2023 Safe Streets and Roads for All Grant, the Recipient assures and certifies, with respect to this Grant, that it will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Project. Performance under this agreement shall be governed by and in compliance with the following requirements, as applicable, to the type of organization of the Recipient and any applicable sub-recipients. The applicable provisions to this agreement include, but are not limited to, the following:

General Federal Legislation

a. Federal Fair Labor Standards Act – 29 U.S.C. 201, et seq.
b. Hatch Act – 5 U.S.C. 1501, et seq.
c. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 – 42 U.S.C. 4601, et seq.
d. National Historic Preservation Act of 1966 - Section 106 – 54 U.S.C. 306108
e. Archeological and Historic Preservation Act of 1974 – 54 U.S.C. 312501, et seq.
f. Native American Graves Protection and Repatriation Act – 25 U.S.C. 3001, et seq.
g. Clean Air Act, P.L. 90-148, as amended – 42 U.S.C. 7401, et seq.
h. Section 404 of the Clean Water Act, as amended – 33 U.S.C. 1344
i. Section 7 of the Endangered Species Act, P.L. 93-205, as amended – 16 U.S.C. 1536
j. Coastal Zone Management Act, P.L. 92-583, as amended – 16 U.S.C. 1451, et seq.
k. Flood Disaster Protection Act of 1973 - Section 102(a) – 42 U.S.C. 4012a
l. Age Discrimination Act of 1975 – 42 U.S.C. 6101, et seq.
m. American Indian Religious Freedom Act, P.L. 95-341, as amended
n. Drug Abuse Office and Treatment Act of 1972, as amended – 21 U.S.C. 1101, et seq.
o. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616, as amended – 42 U.S.C. 4541, et seq.
p. Sections 523 and 527 of the Public Health Service Act of 1912, as amended – 42 U.S.C. 290dd through 290dd-2
q. Architectural Barriers Act of 1968 – 42 U.S.C. 4151, et seq.
r. Power Plant and Industrial Fuel Use Act of 1978, P.L. 100-42 - Section 403 – 42 U.S.C. 8373
s. Contract Work Hours and Safety Standards Act – 40 U.S.C. 3701, et seq.
t. Copeland Anti-kickback Act, as amended – 18 U.S.C. 874 and 40 U.S.C. 3145
u. National Environmental Policy Act of 1969 – 42 U.S.C. 4321, et seq.
v. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 U.S.C. 1271, et seq.
w. Federal Water Pollution Control Act, as amended – 33 U.S.C. 1251-1376
x. Single Audit Act of 1984 – 31 U.S.C. 7501, et seq.
y. Americans with Disabilities Act of 1990 – 42 U.S.C. 12101, et seq.
z. Title IX of the Education Amendments of 1972, as amended – 20 U.S.C. 1681 through 1683 and 1685 through 1687
aa. Section 504 of the Rehabilitation Act of 1973, as amended – 29 U.S.C. 794
bb. Title VI of the Civil Rights Act of 1964 – 42 U.S.C. 2000d, et seq.
cc. Title IX of the Federal Property and Administrative Services Act of 1949 – 40 U.S.C.

1101 -1104, 541, et seq.

dd. Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions – 31 U.S.C. 1352
ee. Freedom of Information Act – 5 U.S.C. 552, as amended
ff. Magnuson-Stevens Fishery Conservation and Management Act – 16 U.S.C. 1855
gg. Farmland Protection Policy Act of 1981 – 7 U.S.C. 4201, et seq.
hh. Noise Control Act of 1972 – 42 U.S.C. 4901, et seq.
ii. Fish and Wildlife Coordination Act of 1956 – 16 U.S.C. 661, et seq.
jj. Section 9 of the Rivers and Harbors Act and the General Bridge Act of 1946 – 33 U.S.C. 401 and 525
kk. Section 4(f) of the Department of Transportation Act of 1966 – 49 U.S.C. 303
ll. Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended – 42 U.S.C. 9601, et seq.
mm. Safe Drinking Water Act – 42 U.S.C. 300f to 300j-26
nn. Wilderness Act – 16 U.S.C. 1131-1136
oo. Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 – 42 U.S.C. 6901, et seq.
pp. Migratory Bird Treaty Act – 16 U.S.C. 703, et seq.
qq. The Federal Funding Transparency and Accountability Act of 2006, as amended (Pub. L. 109–282, as amended by section 6202 of Public Law 110–252)
rr. Cargo Preference Act of 1954 – 46 U.S.C. 55305
ss. Section 889 of the John D. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. 115-232

Executive Orders

a. Executive Order 11990 – Protection of Wetlands
b. Executive Order 11988 – Floodplain Management
c. Executive Order 12372 – Intergovernmental Review of Federal Programs
d. Executive Order 12549 – Debarment and Suspension
e. Executive Order 14005 – Ensuring the Future is Made in All of America by All of America's Workers
f. Executive Order 14025 – Worker Organizing and Empowerment
g. Executive Order 14149, Restoring Freedom of Speech and Ending Federal Censorship
h. Executive Order 14154, Unleashing American Energy
i. Executive Order 14151, Ending Radical and Wasteful Government DEI Programs and Preferencing
j. Executive Order 14168 Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government
k. Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity

Presidential Policy Directives and Memorandums

a. Presidential Policy Directive 21 – Critical Infrastructure Security and Resilience

b. National Security Presidential Memorandum on Improving Cybersecurity for Critical Infrastructure Systems

General Federal Regulations

a. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – 2 C.F.R. Parts 200, 1201
b. Non-procurement Suspension and Debarment – 2 C.F.R. Parts 180, 1200
c. Investigative and Enforcement Procedures – 14 C.F.R. Part 13
d. Procedures for predetermination of wage rates – 29 C.F.R. Part 1
e. Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States – 29 C.F.R. Part 3
f. Labor standards provisions applicable to contracts governing federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act) – 29 C.F.R. Part 5
g. Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements) – 41 C.F.R. Parts 60, et seq.
h. New Restrictions on Lobbying – 49 C.F.R. Part 20
i. Nondiscrimination in Federally Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964 – 49 C.F.R. Part 21, including any amendments thereto
j. Uniform relocation assistance and real property acquisition for Federal and Federally assisted programs – 49 C.F.R. Part 24
k. Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance – 49 C.F.R. Part 25
l. Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance – 49 C.F.R. Part 27
m. DOT's implementation of DOJ's ADA Title II regulations compliance procedures for all programs, services, and regulatory activities relating to transportation under 28 C.F.R. Part 35
n. Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation – 49 C.F.R. Part 28
o. Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors – 49 C.F.R. Part 30
p. Governmentwide Requirements for Drug-Free Workplace (Financial Assistance) – 49 C.F.R. Part 32
q. DOT's implementing ADA regulations for transit services and transit vehicles, including the DOT's standards for accessible transportation facilities in Part 37, Appendix A – 49 C.F.R. Parts 37 and 38
r. Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs – 49 C.F.R. Part 26, including any amendments thereto (as applicable under section 18.3 of this agreement)

Office of Management and Budget Circulars

a. Any applicable OMB Circular based upon the specific FY 2023 Safe Streets and Roads

for All Grant Recipient.

Highway Federal Legislation

a. Agreements relating to the use of an access to rights-of-way—Interstate System, 23 U.S.C. 111
b. Planning, 23 U.S.C. 134 and 135 (except for projects that are not regionally significant that do not receive funding under Title 23 or Chapter 53 of Title 49)
c. Tolls, 23 U.S.C. 301 (to the extent the recipient wishes to toll an existing free facility that has received Title 23 funds in the past); except as authorized by 23 U.S.C. 129 and 166.
d. Efficient Environmental Reviews - 23 U.S.C. 139
e. Policy on lands, wildlife and waterfowl refuges, and historic sites - 49 U.S.C. 303

Federal Highway Regulations

a. Planning – 23 C.F.R. Part 450 (except for projects that are not regionally significant that do not receive funding under Title 23 or Chapter 53 of Title 49)
b. National Highway System Design Standards – 23 C.F.R. Part 625
c. Location and Hydraulic Design of Encroachments on Flood Plains – 23 C.F.R. Part 650 Subpart A
d. Manual on Uniform Traffic Control Devices – 23 C.F.R. Part 655
e. Environmental Impact and Related Procedures – 23 C.F.R. Part 771
f. Parks, Recreation Areas, Wildlife and Waterfowl Refuges, and Historic Sites (Section 4(f)) – 23 C.F.R. Part 774
g. Permitting Requirements under the National Pollutant Discharge Elimination System – 40 C.F.R. Part 122

Specific assurances required to be included in the FY 2023 Safe Streets and Roads for All Grant agreement by any of the above laws, regulations, or circulars are hereby incorporated by reference into this agreement.

EXHIBIT B
ADDITIONAL STANDARD TERMS

TERM B.1
TITLE VI ASSURANCE
(Implementing Title VI of the Civil Rights Act of 1964, as amended)

ASSURANCE CONCERNING NONDISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS AND ACTIVITIES RECEIVING OR BENEFITING FROM FEDERAL FINANCIAL ASSISTANCE

(Implementing the Rehabilitation Act of 1973, as amended, and the Americans With Disabilities Act, as amended)

49 C.F.R. Parts 21, 25, 27, 37, and 38

The United States Department of Transportation (USDOT)

Standard Title VI/Non-Discrimination Assurances

DOT Order No. 1050.2A

By signing and submitting the Technical Application and by entering into this agreement under the FY 2023 Safe Streets and Roads for All (SS4A) grant program, the Recipient **HEREBY AGREES THAT**, as a condition to receiving any Federal financial assistance from the U.S. Department of Transportation (DOT), through the Federal Highway Administration (FHWA), it is subject to and will comply with the following:

Statutory/Regulatory Authorities

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 C.F.R. Part 21, including any amendments thereto (entitled *Non-discrimination In Federally-Assisted Programs Of The Department Of Transportation—Effectuation Of Title VI Of The Civil Rights Act Of 1964*);
- 28 C.F.R. section 50.3 (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);

The preceding statutory and regulatory cites hereinafter are referred to as the "Acts" and "Regulations," respectively.

General Assurances

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

> *"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity," for which the Recipient receives Federal financial assistance from DOT, including the FHWA.*

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI and other Non-discrimination requirements (The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these non-discrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

Specific Assurances

More specifically, and without limiting the above general Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted FY 2023 SS4A grant program:

1. The Recipient agrees that each "activity," "facility," or "program," as defined in §§ 21.23 (b) and 21.23 (e) of 49 C.F.R. Part 21, including any amendments thereto, will be (with regard to an "activity") facilitated, or will be (with regard to a "facility") operated, or will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.

2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with the FY 2023 SS4A Grant and, in adapted form, in all proposals for negotiated agreements regardless of funding source:

   "*The Recipient, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.*"

3. The Recipient will insert the clauses of Appendix A and E of this Assurance in every contract or agreement subject to the Acts and the Regulations.

4. The Recipient will insert the clauses of Appendix B of this Assurance, as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a Recipient.

5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.

6. That where the Recipient receives Federal financial assistance in the form, or for the acquisition of real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.

7. That the Recipient will include the clauses set forth in Appendix C and Appendix D of this Assurance, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:

    a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
    b. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

8. That this Assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the Assurance obligates the Recipient, or any transferee for the longer of the following periods:

    a. the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
    b. the period during which the Recipient retains ownership or possession of the property.

9. The Recipient will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he/she delegates specific authority to give reasonable guarantee that it, other recipients, sub-recipients, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Acts, the Regulations, and this Assurance.

10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Acts, the Regulations, and this Assurance.

By signing this ASSURANCE, the Recipient also agrees to comply (and require any sub-recipients, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions governing the FHWA's access to records, accounts, documents, information, facilities, and staff. You also recognize that you must comply with any program or compliance reviews, and/or complaint investigations conducted by the FHWA. You must keep records, reports, and submit the material for review upon request to FHWA, or its designee in a timely, complete, and accurate way. Additionally, you must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

The Recipient gives this ASSURANCE in consideration of and for obtaining any Federal grants, loans, contracts, agreements, property, and/or discounts, or other Federal-aid and Federal financial assistance extended after the date hereof to the recipients by the U.S. Department of Transportation under the FY 2023 SS4A grant program. This ASSURANCE is binding on the Recipient, other recipients, sub-recipients, contractors, subcontractors and their subcontractors', transferees, successors in interest, and any other participants in the FY 2023 SS4A grant program.

APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, Federal Highway Administration (FHWA), as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 C.F.R. Part 21, including any amendments thereto.

3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.

4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the FHWA to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or the FHWA, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:

    a. withholding payments to the contractor under the contract until the contractor complies; and/or
    b. cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant

thereto. The contractor will take action with respect to any subcontract or procurement as the Recipient or the FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

APPENDIX B

CLAUSES FOR DEEDS TRANSFERRING UNITED STATES PROPERTY

The following clauses will be included in deeds effecting or recording the transfer of real property, structures, or improvements thereon, or granting interest therein from the United States pursuant to the provisions of Specific Assurance 4:

NOW, THEREFORE, the U.S. Department of Transportation as authorized by law and upon the condition that the Recipient will accept title to the lands and maintain the project constructed thereon in accordance with the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 (Nov. 15, 2021), the Consolidated Appropriations Act, 2022, Pub. L. No. 117-103 (Mar. 15, 2022), 49 U.S.C. § 6702, the Regulations for the Administration of FY 2023 SS4A grant program**,** and the policies and procedures prescribed by the Federal Highway Administration (FHWA) of the U.S. Department of Transportation in accordance and in compliance with all requirements imposed by Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, including any amendments thereto, pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. § 2000d to 2000d-4), does hereby remise, release, quitclaim and convey unto the Recipient all the right, title and interest of the U.S. Department of Transportation in and to said lands described in Exhibit A attached hereto and made a part hereof.

(HABENDUM CLAUSE)

TO HAVE AND TO HOLD said lands and interests therein unto Recipient and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and will be binding on the Recipient, its successors and assigns.

The Recipient, in consideration of the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns, that (1) no person will on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over, or under such lands hereby conveyed [,] [and]* (2) that the Recipient will use the lands and interests in lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, including any amendments thereto, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations and Acts may be amended[, and (3) that in the event of breach of any of the above-mentioned non-discrimination conditions, the Department will have a right to enter or re-enter said lands and facilities on said land, and that above described land and facilities will thereon revert to

and vest in and become the absolute property of the U.S. Department of Transportation and its assigns as such interest existed prior to this instruction].*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to make clear the purpose of Title VI.)

APPENDIX C

CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE ACTIVITY, FACILITY, OR PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the Recipient pursuant to the provisions of Specific Assurance 7(a):

A. The (Recipient, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add "as a covenant running with the land"] that:

    1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a U.S. Department of Transportation activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (Recipient, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Non-discrimination covenants, Recipient will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.*

C. With respect to a deed, in the event of breach of any of the above Non-discrimination covenants, the Recipient will have the right to enter or re-enter the lands and facilities thereon, and the above described lands and facilities will there upon revert to and vest in and become the absolute property of the Recipient and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

APPENDIX D

CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Recipient pursuant to the provisions of Specific Assurance 7(b):

A. The (Recipient, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, "as a covenant running with the land") that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (Recipient, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations, as amended, set forth in this Assurance.

B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above Non-discrimination covenants, Recipient will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.*

C. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, Recipient will there upon revert to and vest in and become the absolute property of Recipient and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 C.F.R. Part 21, including any amendments thereto.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 C.F.R. Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 C.F.R. Parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681 et seq).

TERM B.2
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS

2 C.F.R. Parts 180 and 1200

These assurances and certifications are applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost $25,000 or more – as defined in 2 C.F.R. Parts 180 and 1200.

By signing and submitting the Technical Application and by entering into this agreement under the FY 2023SS4A grant program, the Recipient is providing the assurances and certifications for First Tier Participants and Lower Tier Participants in the FY 2023 SS4A Grant, as set out below.

1. Instructions for Certification – First Tier Participants:

a. The prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "civil judgment," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 C.F.R. Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a Recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a Recipient or subrecipient of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers to any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily

excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/), which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment, including a civil settlement, rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

2. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost $25,000 or more - 2 C.F.R. Parts 180 and 1200)

a. The prospective lower tier participant is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms “covered transaction,” “civil settlement,” “debarred,” “suspended,” “ineligible,” “participant,” “person,” “principal,” and “voluntarily excluded,” as used in this clause, are defined in 2 C.F.R. Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. “First Tier Covered Transactions” refers to any covered transaction between a Recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). “Lower Tier Covered Transactions” refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant who has entered into a covered transaction with a Recipient or subrecipient of Federal funds (such as the prime or general contractor). “Lower Tier Participant” refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

TERM B.3
REQUIREMENTS REGARDING DELINQUENT TAX LIABILITY OR A FELONY CONVICTION UNDER ANY FEDERAL LAW

As required by sections 744 and 745 of Title VII, Division E of the Consolidated Appropriations Act, 2023, Pub. L. No. 117-328 (Dec. 29, 2022), and implemented through USDOT Order 4200.6, the funds provided under this award shall not be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that:

(1) Has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless a Federal agency has considered suspension or debarment of the corporation and made a determination that suspension or debarment is not necessary to protect the interests of the Government; or

(2) Was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless a Federal agency has considered suspension or debarment of the corporation and made a determination that suspension or debarment is not necessary to protect the interests of the Government.

The Recipient therefore agrees:

1. **Definitions.** For the purposes of this exhibit, the following definitions apply:

"**Covered Transaction**" means a transaction that uses any funds under this award and that is a contract, memorandum of understanding, cooperative agreement, grant, loan, or loan guarantee.

"**Felony Conviction**" means a conviction within the preceding 24 months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the United States Code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 U.S.C. 3559.

"**Participant**" means the Recipient, an entity who submits a proposal for a Covered Transaction, or an entity who enters into a Covered Transaction.

"**Tax Delinquency**" means an unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

2. **Mandatory Check in the System for Award Management.** Before entering a Covered Transaction with another entity, a Participant shall check the System for Award Management (the "**SAM**") at http://www.sam.gov/ for an entry describing that entity.

3. **Mandatory Certifications.** Before entering a Covered Transaction with another entity, a Participant shall require that entity to:

    (1) Certify whether the entity has a Tax Delinquency; and

    (2) Certify whether the entity has a Felony Conviction.

4 **Prohibition.** If:

    (1) the SAM entry for an entity indicates that the entity has a Tax Delinquency or a Federal Conviction;

    (2) an entity provides an affirmative response to either certification in section 3; or

    (3) an entity's certification under section 3 was inaccurate when made or became inaccurate after being made

    then a Participant shall not enter or continue a Covered Transaction with that entity unless the USDOT has determined in writing that suspension or debarment of that entity are not necessary to protect the interests of the Government.

5. **Mandatory Notice to the USDOT.**

    (a) If the SAM entry for a Participant indicates that the Participant has a Tax Delinquency or a Felony Conviction, the Recipient shall notify the USDOT in writing of that entry.

    (b) If a Participant provides an affirmative response to either certification in section 1, the Recipient shall notify the USDOT in writing of that affirmative response.

    (c) If the Recipient knows that a Participant's certification under section 1 was inaccurate when made or became inaccurate after being made, the Recipient shall notify the USDOT in writing of that inaccuracy.

6. **Flow Down.** For all Covered Transactions, including all tiers of subcontracts and subawards, the Recipient shall:

    (1) require the SAM check in section 2;

    (2) require the certifications in section 3;

    (3) include the prohibition in section 4; and

(4) require all Participants to notify the Recipient in writing of any information that would require the Recipient to notify the USDOT under section 5.

TERM B.4
RECIPIENT POLICY TO BAN TEXT MESSAGING WHILE DRIVING

(a) *Definitions.* The following definitions are intended to be consistent with the definitions in DOT Order 3902.10, Text Messaging While Driving (Dec. 30, 2009) and Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving (Oct. 1, 2009). For clarification purposes, they may expand upon the definitions in the executive order.

For the purpose of this Term B.4, "**Motor Vehicles**" means any vehicle, self-propelled or drawn by mechanical power, designed and operated principally for use on a local, State or Federal roadway, but does not include a military design motor vehicle or any other vehicle excluded under Federal Management Regulation 102-34-15.

For the purpose of this Term B.4, "**Driving**" means operating a motor vehicle on a roadway, including while temporarily stationary because of traffic congestion, a traffic signal, a stop sign, another traffic control device, or otherwise. It does not include being in your vehicle (with or without the motor running) in a location off the roadway where it is safe and legal to remain stationary.

For the purpose of this Term B.4, "**Text messaging**" means reading from or entering data into any handheld or other electronic device (including, but not limited to, cell phones, navigational tools, laptop computers, or other electronic devices), including for the purpose of Short Message Service (SMS) texting, e-mailing, instant messaging, obtaining navigational information, or engaging in any other form of electronic data retrieval or electronic data communication. The term does not include the use of a cell phone or other electronic device for the limited purpose of entering a telephone number to make an outgoing call or answer an incoming call, unless this practice is prohibited by State or local law. The term also does not include glancing at or listening to a navigational device that is secured in a commercially designed holder affixed to the vehicle, provided that the destination and route are programmed into the device either before driving or while stopped in a location off the roadway where it is safe and legal to remain stationary.

For the purpose of this Term B.4, the "**Government**" includes the United States Government and State, local, and tribal governments at all levels.

(b) *Workplace Safety.* In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving (Oct. 1, 2009) and DOT Order 3902.10, Text Messaging While Driving (Dec. 30, 2009), the Recipient, subrecipients, contractors, and subcontractors are encouraged to:

(1) adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving—

(i) Company-owned or -rented vehicles or Government-owned, leased or rented vehicles; or

(ii) Privately-owned vehicles when on official Government business or when performing any work for or on behalf of the Government.

(2) Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as—

(i) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and

(ii) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

(c) *Subawards and Contracts.* To the extent permitted by law, the Recipient shall insert the substance of this exhibit, including this paragraph (c), in all subawards, contracts, and subcontracts under this award that exceed the micro-purchase threshold, other than contracts and subcontracts for the acquisition of commercially available off-the-shelf items.

EXHIBIT C
QUARTERLY PERFORMANCE PROGRESS REPORTS:
FORMAT AND CONTENT

1. Purpose. The purpose of the Quarterly Performance Progress Reports under this agreement for the FY 2023 SS4A grant program is to ensure that the project scope, schedule, and budget will be maintained to the maximum extent possible.

2. Format and Content. The Recipient shall produce a quarterly cost, schedule, and status report that contains the sections enumerated in the following list. The first Quarterly Performance Progress Report should include a detailed description of the items funded.

(a) Project Information. This section provides the name of the project, the State, the federal agency to which the report is submitted, submission date, award number, name of the recipient, report year and quarter and NOFO funding year.

(b) Project Overall Status. This section provides an overall status of the project's scope, schedule and budget. The Recipient shall note and explain any significant activities and issues, action items and outstanding issues.

i. **Project Significant Activities and Issues.** This section provides highlights of key activities, accomplishments, and issues occurring on the project during the previous quarter. Activities and deliverables to be reported on should include meetings, audits and other reviews, design packages submitted, advertisements, awards, construction submittals, construction completion milestones, submittals related to any applicable IIJA or NOFO requirements, media or Congressional inquiries, value engineering/constructability reviews, and other items of significance.

ii. **Action Items/Outstanding Issues.** This section should draw attention to, and track the progress of, highly significant or sensitive issues requiring action and direction to resolve. The Recipient should include administrative items and outstanding issues that could have a significant or adverse effect on the project's scope, schedule, or budget. Status, responsible person(s), and due dates should be included for each action item/outstanding issue. Action items requiring action or direction should be included in the quarterly status meeting agenda. The action items/outstanding issues may be dropped from this section upon full implementation of the remedial action, and upon no further monitoring anticipated.

(c) Milestones. This section documents progress of the milestones outlined in Section 3.2. The Recipient should include the baseline date (when the project is projected to begin) of each milestone, amendments to those dates (if applicable) and the actual/expected date of completion. There are Milestone charts for action plans, supplemental planning activities, demonstration activity projects and implementation (both construction and non-construction) projects.

EXHIBIT D
FORM FOR SUBSEQUENT OBLIGATION OF FUNDS

The USDOT and **[recipient name]** entered a grant agreement for the **[project name]** that was executed by the USDOT on **[date of USDOT signature on original agreement]** (the "**Agreement**").

This instrument obligates **[$XXX]** for **[insert portion of project listed in the Agreement]**.

[Recipient name] states that:

(1) the Agreement accurately describe the Project's activities;

(2) for each completion date listed in the Agreement, the Recipient's estimate for that milestone is not more than six months after the date listed in the Agreement;

(3) comparing the Project's current budget with the amounts listed in the Agreement, the "Non-Federal Funds" amount has not decreased and the total eligible project costs amount has not decreased; and

(4) under the terms of article 21 of the General Terms and Conditions, the Recipient is not presently required to request a modification to the Agreement.

[Recipient name] acknowledges that USDOT is acting in reliance on the Recipient's statements above.

By: _____

Date — Signature of Recipient's Authorized Representative

[insert name]

Name

[insert title]

Title

The USDOT has determined that all applicable Federal requirements for obligating these funds are satisfied.

By:

Date

Signature of USDOT's Authorized Representative

[insert name]

Name

[insert title]

Title

MAYOR AND COUNCIL Meeting Date: December 8, 2025
Agenda Item Type: CONSENT
Department: CITY CLERK/DIRECTOR OF COUNCIL OPERATIONS OFFICE
Responsible Staff: SARA TAYLOR-FERRELL

Subject

Approval of Minutes

Recommendation

Staff recommends the Mayor and Council approve the following minutes:

November 17, 2025 (Meeting No. 28-25)

Attachments

MAYOR AND COUNCIL Meeting Date: December 8, 2025
Agenda Item Type: ADOPTION
Department: RECREATION & PARKS
Responsible Staff: CHRIS HENRY

Subject

Adoption of King Farm Farmstead Master Plan

Department

Recreation & Parks

Recommendation

Staff recommends that the Mayor and Council receive the presentation, which will include follow-up information based on Mayor and Council feedback at the October 20, 2025, work session regarding removing additional parking on the property, removing the addition that connected the two Dairy Barns, revising the construction cost estimates based on these plan changes, as well as the economic analysis and adjust the project implementation phasing for King Farm Farmstead. Staff also recommends that the Mayor and Council adopt the King Farm Farmstead Master Plan, which is included as an attachment to the staff report.

Discussion

During the Mayor and Council work session on October 20, 2025, staff were directed to adjust the master plan document by removing new parking lots proposed, removing the building addition in option 4 that connects the two Dairy Barns, and revising the cost estimates, economic analysis, and project implementation phasing according to these changes. The revised King Farm Farmstead Master Plan is attached, and the *King Farm Farmstead Master Plan Appendix* document is linked as a resource to the master planning process.

King Farm Farmstead is a historic property with significant cultural heritage and value. Historic property records reveal the early presence of enslaved African Americans who went on to make notable impacts on the region. The lack of comprehensive records makes it difficult to determine which structures or areas on the grounds may have been directly connected to the enslaved residents. The City of Rockville initiated a planning process to transform the site into a multipurpose community destination. This master plan builds upon previous studies and summarizes the past eleven-month effort that involved community engagement, program analysis, and conceptual design to create a master plan for the site's adaptive reuse. The overarching goal of the master plan is to preserve the farmstead's unique historic character while adapting it to meet the evolving recreational needs of the community.

A central component of the process was extensive community engagement. A two-stage approach provided opportunities for residents, stakeholders, and local organizations to share their visions for the

site. The first stage used surveys, open-house style sessions, and online community meetings to identify what people most valued and what types of activities they would like to see in the future. Common themes included the importance of history and open space, the need for flexible event and performance spaces, and interest in community-focused programming such as markets, classes, arts, makerspaces, wellness, and youth/teen activities. The second stage of engagement presented concept options developed from this feedback, and participants were asked to evaluate them.

Four design concepts emerged, each offering a different level of intervention and reuse of the farmstead's buildings. At one end of the spectrum was a minimal approach that prioritized preservation and limited new construction, while at the other end was a more ambitious approach that added new multipurpose spaces and improved circulation between the second floors of the dairy barns. Between these two were medium-level interventions that created flexible gathering spaces through selective modifications. Across both stages of engagement, community members expressed the strongest support for concepts that provided more usable space and greater flexibility for programming.

In July 2025, the Mayor and Council reviewed all four concepts along with the community's input and directed the team to refine option 4, which proposed the greatest level of intervention. This option was chosen because it balanced historic preservation with the creation of spaces large enough and flexible enough to host the types of programs and events most desired by the community. Adjustments were made to further align the concept with public priorities, including ensuring space for childcare, wellness, and additional multipurpose spaces.

Recommended project phasing and estimated implementation costs based on Mayor and Council direction at the October 20, 2025, work session and are included below (includes construction, escalation, design fees, and contingency):

PHASE 1: FY2027 - FY2030

Dairy Barns: $14,022,893

Farmhouse: $3,807,629

Sitework: $1,473,940

PHASE 1 TOTAL: $19,304,462

PHASE 2: FY2031 - FY2033

Horse Barn + Tenant House 1: $5,616,615

Tenant House 2 $1,116,004

Garage $1,336,226

PHASE 2 TOTAL: $8,068,846

Cost Estimate Summarized Changes

Based on direction provided at the work session on October 20, 2025, the following adjustments to the cost estimate are summarized below:

Phase 1: $ 3,357,010 (savings)

Phase 2: $ 925,468 (additional cost)

Combined Total of Phase 1 and 2 is reduced by $2,431,542

The **Phase 1** costs are reduced by three major factors:

1. Site cost reduction for the removal of the parking results in a total of - $1,410,856
2. Removal of the addition is a savings of $1,300,702, but the following items were added in its place:
    - Additional 2nd floor space on the north wing that was included in the addition costs.
    - Bridge added in place of the addition as well as additional terrace space where the addition was removed.
3. Relocation of the kitchen to the Horse Barns shifted costs from Phase 1 to 2.
   $645,452 from Phase increases to $925,468 due to escalation in Phase 2

The **Phase 2** costs increased for the two major factors:
1. The teaching/community kitchen was moved to the second phase within the Horse Barn for proximity to the only remaining multipurpose space.
2. Escalation contributes substantially to the increase in the Horse Barn since it is in Phase 2 which is scheduled to begin in FY 2031.

The refined master plan envisions the farmstead as a hub for community life. It will provide multipurpose halls for performances, markets, and larger gatherings; flexible rooms for arts, technology, and wellness; and specialized spaces for a teaching kitchen, makerspaces, and childcare. These spaces are designed to overlap and adapt so that the facility can accommodate a wide variety of activities over time. In addition to programming inside the buildings, the plan recognizes the importance of the farmstead's landscape. The community garden and its historic corridor will be preserved and integrated into the overall experience of the site, ensuring that the outdoor setting is as much a part of the community use as the indoor facilities.
Practical considerations have also been incorporated. Accessibility will be improved, and circulation will be enhanced with new connections to the surrounding neighborhood. These updates ensure that the site can support contemporary community needs while remaining welcoming and inclusive. Importantly, the conceptual design approach maintains the historic identity of the farmstead. Additions and modifications will be carefully designed to respect the original character of the buildings while providing the infrastructure necessary for modern use.
The King Farm Farmstead Master Plan represents a forward-looking vision that blends history and heritage with adaptability and community benefit. It is the product of sustained public dialogue, technical study, and careful design. By creating a space that is at once historic, flexible, and multipurpose, the project ensures that the farmstead will serve as both a cultural landmark and an active center of community life for generations to come.

Impact Statements

Equity

The King Farm Farmstead Master Plan is grounded in the City of Rockville's commitment to equity, inclusion, and accessibility. While Montgomery County housing history shows patterns of exclusion of community members of color through racial covenants and redlining, Rockville history does not reveal conclusive records that the King Farm community practiced exclusion of specific communities. Montgomery County historic inequities are broadly considered in all city projects.
The planning process was designed to ensure that the voices of community members across ages, backgrounds, abilities, and identities were heard and reflected in the master plan.

Through extensive engagement opportunities, including surveys, open houses, and online participation, residents and stakeholders from across the city helped shape a shared vision for how this historic site can best serve the diverse needs of the Rockville community.

Equity is reflected in both the process and the outcome. The master plan prioritizes spaces that are flexible, welcoming, and adaptable to a wide range of cultural, recreational, educational, and wellness activities. It emphasizes physical and programmatic accessibility, ensuring that everyone can experience and benefit from the site's amenities. Accessibility efforts expand to consider the ability of residents of all mobility levels and families of all sizes and neighbors with access to varying transportation options to fully participate in programming. This consideration supports people with limited mobility or walking ability, families managing strollers or multiple children as well as those neighbors without reliable transit to enjoy the Farmstead programs. The conceptual design enhances connections to surrounding neighborhoods, integrates inclusive community uses such as childcare and wellness spaces, and preserves the site's historic integrity as a shared cultural resource.

By blending preservation with innovation, the King Farm Farmstead will serve as an inclusive community destination that honors the past while providing equitable opportunities for participation, creativity, and belonging for all who call Rockville home.

Environment

The King Farm Farmstead Master Plan embraces environmental stewardship as a core principle in the adaptive reuse of this historic site. The plan seeks to preserve and enhance the property's natural features while also considering sustainable design strategies that support ecological health, energy efficiency, and long-term resilience.

The surrounding landscape, including its community gardens, open lawns, and historic corridor, will be thoughtfully integrated into the site's community uses, maintaining a balance between built and natural environments. The conceptual design promotes green space as an essential component of public life, providing opportunities for recreation, reflection, and environmental education. Circulation improvements will be explored to encourage pedestrian and bicycle connectivity, reducing reliance on vehicles, and fostering sustainable mobility.

Sustainability considerations will guide all aspects of the site's development, from materials selection and water conservation to stormwater management and energy performance. Existing structures will be rehabilitated and reused whenever possible to reduce waste and preserve embodied energy. Where possible, outdoor areas will incorporate native plantings and low-impact landscaping to support local biodiversity and improve environmental quality.

By prioritizing preservation, adaptive reuse, and ecological responsibility, the King Farm Farmstead Master Plan strengthens the City of Rockville's commitment to environmental sustainability. This approach ensures that the farmstead remains not only a cultural and community landmark but also a model for environmentally conscious design that honors the past while protecting the future.

Economy

The King Farm Farmstead Master Plan supports a sustainable and inclusive local economy by transforming a historic asset into a dynamic community destination that fosters entrepreneurship, job creation, and economic vitality. Through the adaptive reuse of existing

buildings and thoughtful integration of new multipurpose spaces, the plan positions the farmstead as both a cultural landmark and an economic driver within the City of Rockville. By providing flexible venues for markets, performances, educational programs, and community events, the farmstead will stimulate local business participation and expand opportunities for small enterprises, artisans, and service providers. Spaces such as the teaching kitchen, makerspaces, and multipurpose halls are designed to accommodate a range of activities that support workforce development, creative industries, and community-based commerce.
The plan also emphasizes the economic efficiency of preservation and adaptive reuse. By revitalizing existing structures rather than undertaking extensive new construction, the project reduces costs, conserves resources, and enhances long-term fiscal sustainability. Increased visitation and community engagement will generate positive economic ripple effects for nearby neighborhoods and local businesses, strengthening Rockville's overall economic ecosystem.
In preserving the historic integrity of the site while promoting contemporary use, the King Farm Farmstead Master Plan creates a balanced approach to growth, one that honors history, supports innovation, and ensures that economic benefits are broadly shared across the community.

Mayor and Council History

The King Farm Farmstead has been discussed by the Mayor and Council on multiple occasions, and Capital Improvement Projects at the King Farm Farmstead are discussed annually as part of the budget process.

- Work Session Video: https://www.youtube.com/watch?v=_AiT3fvhois

A work session was presented to the Mayor and Council on October 20,2025, which included a King Farm Farmstead Master Plan document. The Mayor and Council advised staff to remove any new proposed parking lots on the property, remove the addition connecting the two Dairy Barns, revise the construction estimates based on the changes as well as adjust the economic analysis and the project implementation phasing for King Farm Farmstead.

- Work Session Video: https://www.youtube.com/watch?v=hOBgp7vNNHI

A work session was presented to the Mayor and Council on September 29, 2025, which included a presentation of the construction cost estimation and cost recovery analysis for programs and building uses presented during the July 14, 2025, work session. The Mayor and Council provided direction on which building use options would be incorporated into the King Farm Farmstead Master Plan and provided direction on priorities for phasing the project's implementation.

- Work Session Video: https://youtu.be/hOBgp7vNNHI?si=u1MMJ_VyHxuo7x-E

A work session was presented to the Mayor and Council on July 14, 2025, which included an update on the project's community engagement, a presentation of four building use options, and the community's top-ranked choices for building uses and program concepts. The Mayor and Council advised staff to pursue construction cost estimation and economic analysis for two of the four options (Option #2 and #4).

- Work Session Video: https://youtu.be/hmAnR8k1GJY?si=jRTZ44oKjAZgiEOJ

A project launch work session was presented to the Mayor and Council on October 28, 2024, to discuss and receive direction on priorities for King Farm Farmstead Adaptive Reuse. The work session provided an overview of the park's planning history, property milestones, site

conditions and considerations, the adaptive re-use planning process, and proposed community engagement.

- Work Session Video: https://youtu.be/huIJKdwj7Zw?si=LcEqRXsVISz0A0sU

Previously, the Mayor and Council received a report by the King Farm Farmstead Task Force on June 12, 2017, and received a presentation regarding the King Farm Farmstead Real Estate Market Analysis Report on July 18, 2022.

Public Notification and Engagement

Significant community engagement was included during this planning process to include an Engage Rockville project website, social media, Rockville Reports Articles, in-person and virtual community sessions, online surveys, fliers and posters at city buildings, and monthly email updates. Additionally, several attempts were made to contact the land grantor, King Farm Associates, to notify them about the King Farm Farmstead adaptive reuse planning process and to invite them to participate. Project updates have been maintained on the project's Engage Rockville website, and periodic emails about the project have been sent to the community.

Boards and Commissions Review

Updates on the project have been shared monthly with the Recreation and Park Advisory Board, and members have been active participants in community engagement sessions and community forums during Mayor and Council meetings. Project information and invitations to participate in the planning process were also shared with all Boards, Commissions, and Task Force Chairs and City Liaisons.

On September 18, 2025, a project update was presented to the Historic District Commission (HDC). The current master planning process identified proposed programs and conceptual building uses and does not include formal designs, engineering drawings, and/or building plans. Once the master planning process has concluded and a plan is adopted, the Historic District Commission will be re-engaged during the design process to include any required reviews and/or approvals.

Fiscal Impact

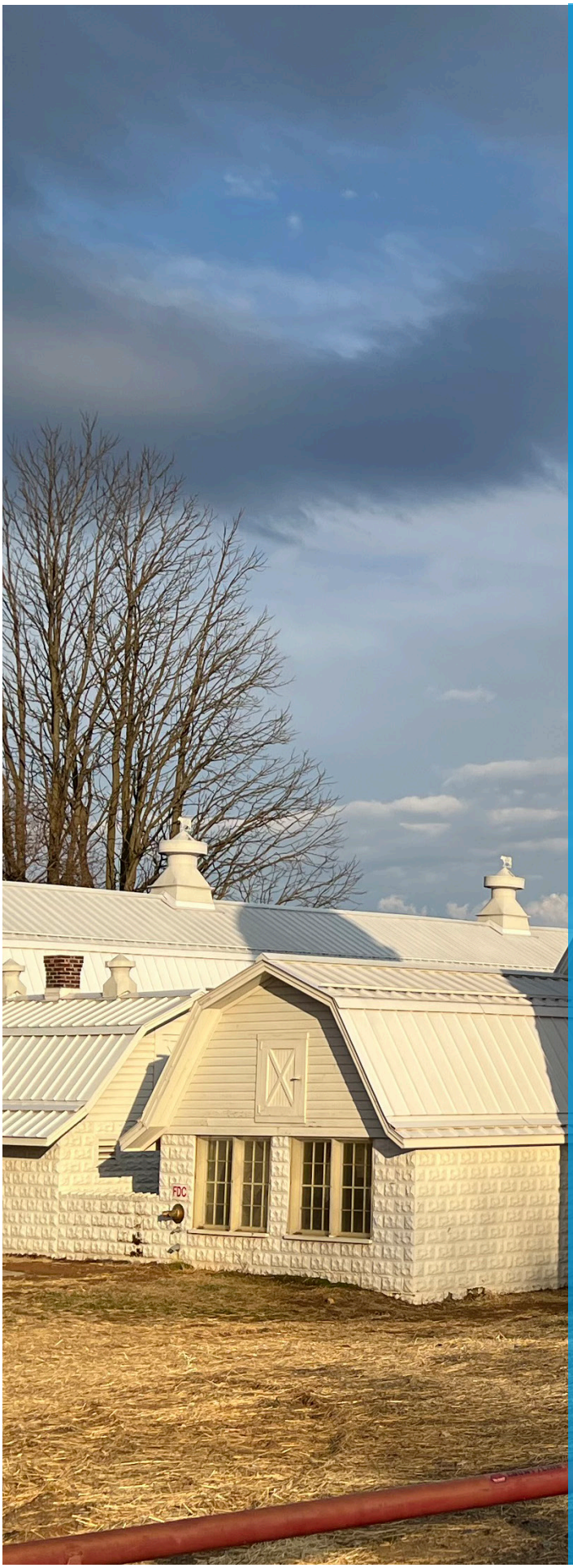
Projects associated with the adaptive reuse of buildings and structures at the King Farm Farmstead are not included in the City's current Capital Improvement Program. Updated project phasing and construction cost estimates are included within this staff report. Following the adoption of the King Farm Farmstead Master Plan, staff will develop a funding strategy for incorporating approved master plan elements into the FY 2027 – FY 2031 Capital Improvement Program.

Next Steps

Once the King Farm Farmstead Master Plan is adopted, staff will move forward with planning for implementation.

Attachments

King Farm Farmstead Master Plan 120825



KING FARM FARMSTEAD

PRESERVATION & POTENTIAL

MASTER PLAN
DECEMBER 8, 2025

Design Collective

KING FARM FARMSTEAD

PRESERVATION & POTENTIAL MASTER PLAN

ACKNOWLEDGMENTS

CITY OF ROCKVILLE

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APPENDIX . . . . . ATTACHED SEPARATELY

- King Farm Farmstead Property History
- 2014 King Farm Farmstead Property Condition Assessment
- King Farm Farmstead Task Force Report June 2017
- 2025 King Farm Farmstead Public Survey Summary Report
- 2025 King Farm Farmstead Visioning and Filtering Boards
- 2025 King Farm Farmstead Master Plan Cost Estimate
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EXECUTIVE SUMMARY

King Farm Farmstead is a historic property with significant cultural value. The City of Rockville has initiated a planning process to transform the site into a multipurpose community destination. This report builds upon previous studies and summarizes the past nine-month effort that involved community engagement, program analysis, and conceptual design to create a conceptual master plan for the site's adaptive reuse. The overarching goal is to preserve the farmstead's unique historic character while adapting it to meet the evolving needs of the community.

A central component of the process was extensive community engagement. A two-stage approach provided opportunities for residents, stakeholders, and local organizations to share their visions for the site. The first stage used surveys, open-house style sessions, and online participation to identify what people most valued and what types of activities they would like to see in the future. Common themes included the importance of history and open space, the need for flexible event and performance spaces, and interest in community-focused programming such as markets, classes, arts, wellness, and youth / teen activities. The second stage of engagement presented concept options developed from this feedback, and participants were asked to evaluate them.

Four design concepts emerged, each offering a different level of intervention and reuse of the farmstead's buildings. At one end of the spectrum was a minimal approach that prioritized preservation and limited new construction, while at the other was a more ambitious approach that added new multipurpose spaces and improved circulation between the second floors of the dairy barns. Between these two were medium-level interventions that created flexible gathering spaces through selective modifications. Across both stages of engagement, community members expressed the strongest support for concepts that provided more usable space and greater flexibility for programming.

In July 2025, the Mayor and Council reviewed all four concepts along with the community's input and directed the design team to refine option 4 which proposed the greatest level of intervention.

This option was chosen because it balanced historic preservation with the creation of spaces large enough and flexible enough to host the types of programs and events most desired by the community. Adjustments were made to further align the concept with public priorities, including ensuring space for childcare, wellness, and additional multipurpose spaces.

After reviewing the initial concept refinement package, the Mayor and Council chose to make additional adjustments to the master plan. They eliminated the addition to the Dairy Barns but included other interventions to maintain the variety of multipurpose spaces needed to fulfill the programs requested by stakeholders.

The adaptive reuse of King Farm Farmstead is poised to address indoor recreation and special use / cultural level of service deficiencies identified in the 2020 Recreation and Parks Strategic Plan. The plan states that Rockville will need approximately 57,000 square feet of additional indoor recreation and 7,000 square feet of special use/cultural spaces. The proposed master plan will reduce that deficit by approximately 25,000 square feet.

The refined master plan envisions the farmstead as a hub for community life. It will provide a multipurpose hall for performances, markets, and large gatherings; flexible rooms for arts, technology, and wellness; and specialized spaces for a teaching kitchen, makerspaces, and childcare. These spaces are designed to overlap and adapt so that the facility can accommodate a wide variety of activities over time.

In addition to programming inside the buildings, the plan recognizes the importance of the farmstead's landscape. Gardens, open lawns, and its historic

Existing view of dairy barns level 1

Proposed view of dairy barns level 1 in the multipurpose auditorium

corridor will be preserved and integrated into the overall experience of the site, ensuring that the outdoor setting is as much a part of the community use as the indoor facilities.

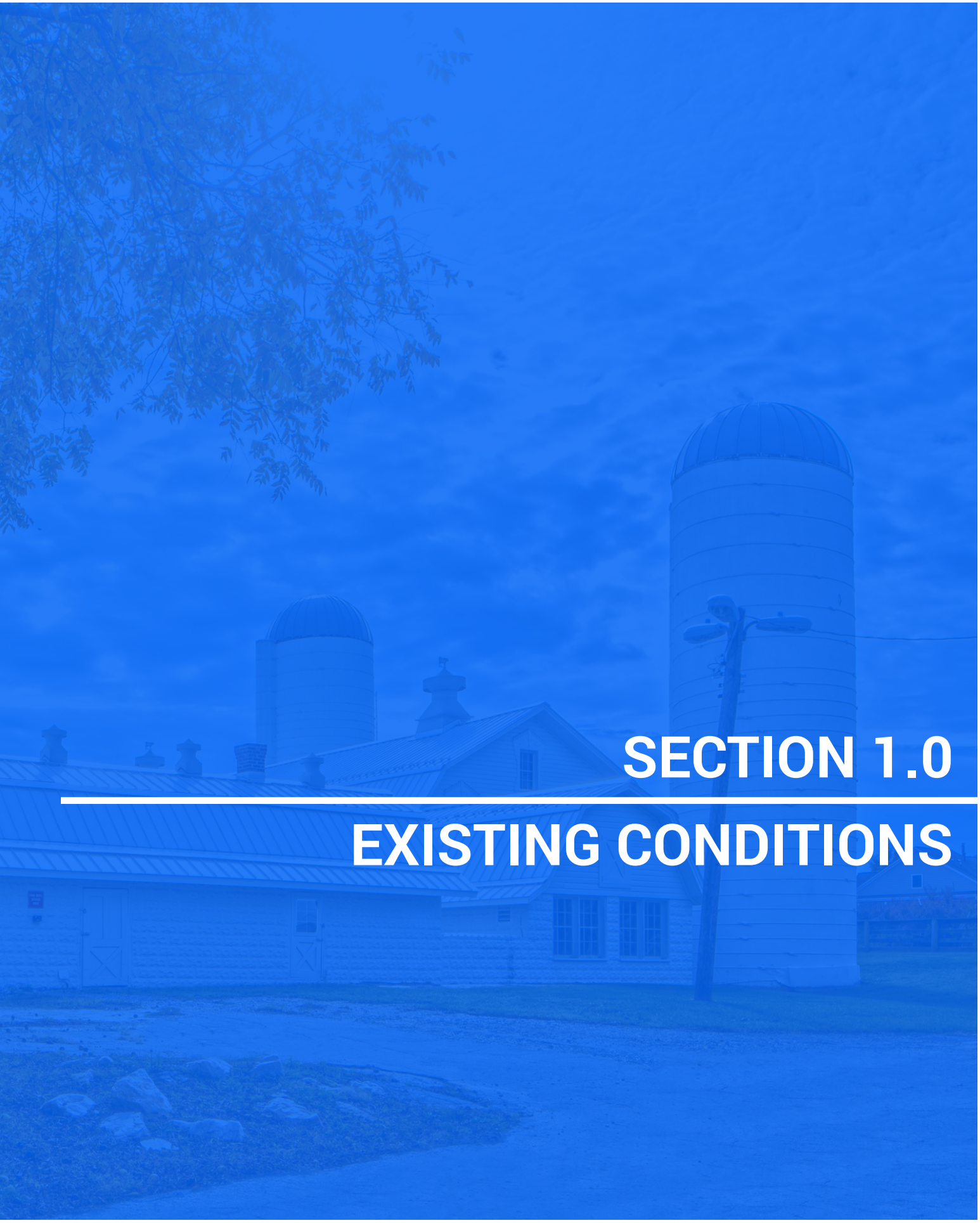
Practical considerations have also been incorporated. Accessibility will be improved, and circulation will be enhanced with new connections to the surrounding neighborhood. These updates ensure that the site can support contemporary community needs in a welcoming and inclusive manner. Importantly, the design approach maintains the historic identity of the farmstead. Additions and modifications will be carefully designed to respect the original character of the buildings while providing the infrastructure necessary for modern use.

In conclusion, the King Farm Farmstead master plan represents a forward-looking vision that blends history and heritage with adaptability and community benefit. It is the product of sustained public dialogue and creative design. By creating a campus that is at once historic, flexible, and multipurpose, the project ensures that the farmstead will serve as both a cultural landmark and an active center of community life for generations to come.

Existing view along historic corridor along the farmstead driveway to be preserved

Proposed view of dairy barns from Elmcroft Blvd

300



SECTION 1.0
EXISTING CONDITIONS

King Farm Farmstead circa 1990, Photo by Richard H. Miller
https://peerlessrockville.org/2016/08/08/king-farm-farmstead-task-force/

Community Garden
livabl.com/rockville-md/king-farm

EXISTING CONDITIONS

PROPERTY MILESTONES

- 1822 – Oldest chain of title of the farm property registered to James W. Graff.
- 1914 – 122-acre Irvington Farm owned by the King Family is developed to become one of the largest dairy operations in the country. Farmhouse built.
- 1925 – Existing garage, larger tenant house and smaller tenant house were all built following a tornado that struck the site.
- 1932 – 19th century bank barn and corn house, smokehouse and chicken coop all destroyed by lightning/fire. Dairy Barn is built as a replacement.
- 1964 – Irvington Farm proclaimed a “model dairy farm” by the National Holstein Association.
- 1985 – Lawson King’s death and the end of farming operations.
- 1995 – King Farm annexed into the City of Rockville.
- 1999 – Property acquired by the City with Deed and Covenants from King Farm Associates
- 2001 – Task Force #1 Report
- 2003 – Mayor and Council Work session
- 2006 – Site designated as a Historic District
- 2010 – Request for Information for Adaptive Reuse issued. Received numerous unsolicited proposals throughout the City’s ownership (Montessori school, brewery/beer garden, hydroponic farming, etc.)
- 2014 - Completed King Farm Farmstead Property Condition Assessment
- 2017 – Task Force #2 Recommendations Report
- 2018 – Completed structural renovations and façade restoration to Dairy Barns
- 2023 – EYA develops property to the north – Annexation agreement includes developer build of 47-space parking lot on King Farm Farmstead Park for city use on King Farm Farmstead Park.
- 2025 – City completes water/sewer infrastructure and fire suppression (Main House and Dairy Barns) and begins construction of electrical infrastructure project

SITE CONSIDERATIONS & CONTEXT

Deed and Declaration of Covenants:

Site to be used for a “park and recreational facility”

King Farm Assembly must be invited to participate in the formation of a task force, committee or other group.

Historic District Designation in 2006

Parking

Existing on-site parking: 47-space parking lot

~25 spots along Ridgemont adjacent to the site with a 2 hour time limit during week days

Surroundings

Parks

Mattie Park: 5-minute walk or .2 miles
~268 parking spaces
Playground, Sports fields and Dog Park

Pleasant Park

Garden View Square

King Farm Stream Valley Park

King Farm Park

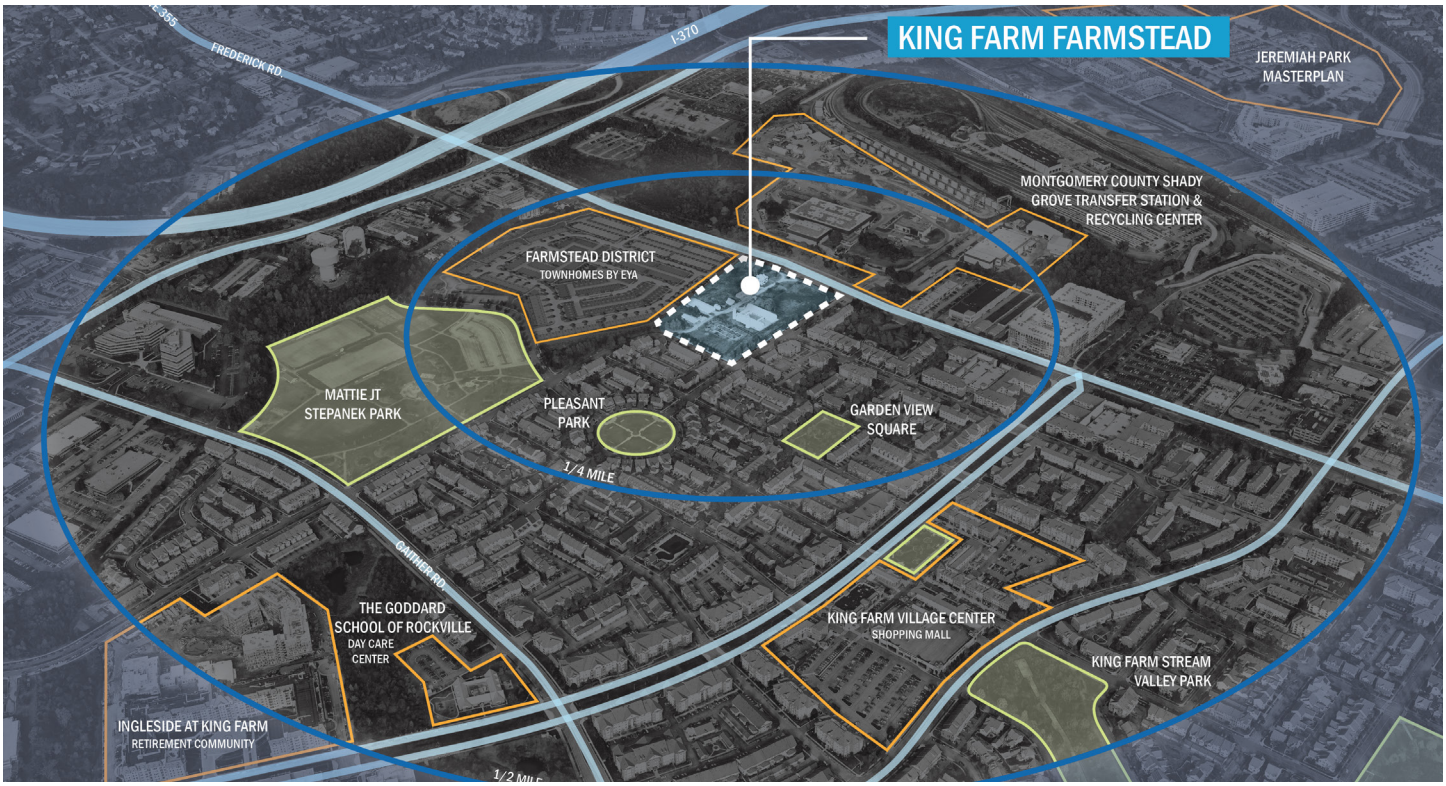
Adjacent Communities:

King Farm: 395 single-family homes, 869 condominiums, 1021 townhomes and 1,044 apartments bringing the current number of residential units to 3,329 with approximately 8,000 – 10,000 residents

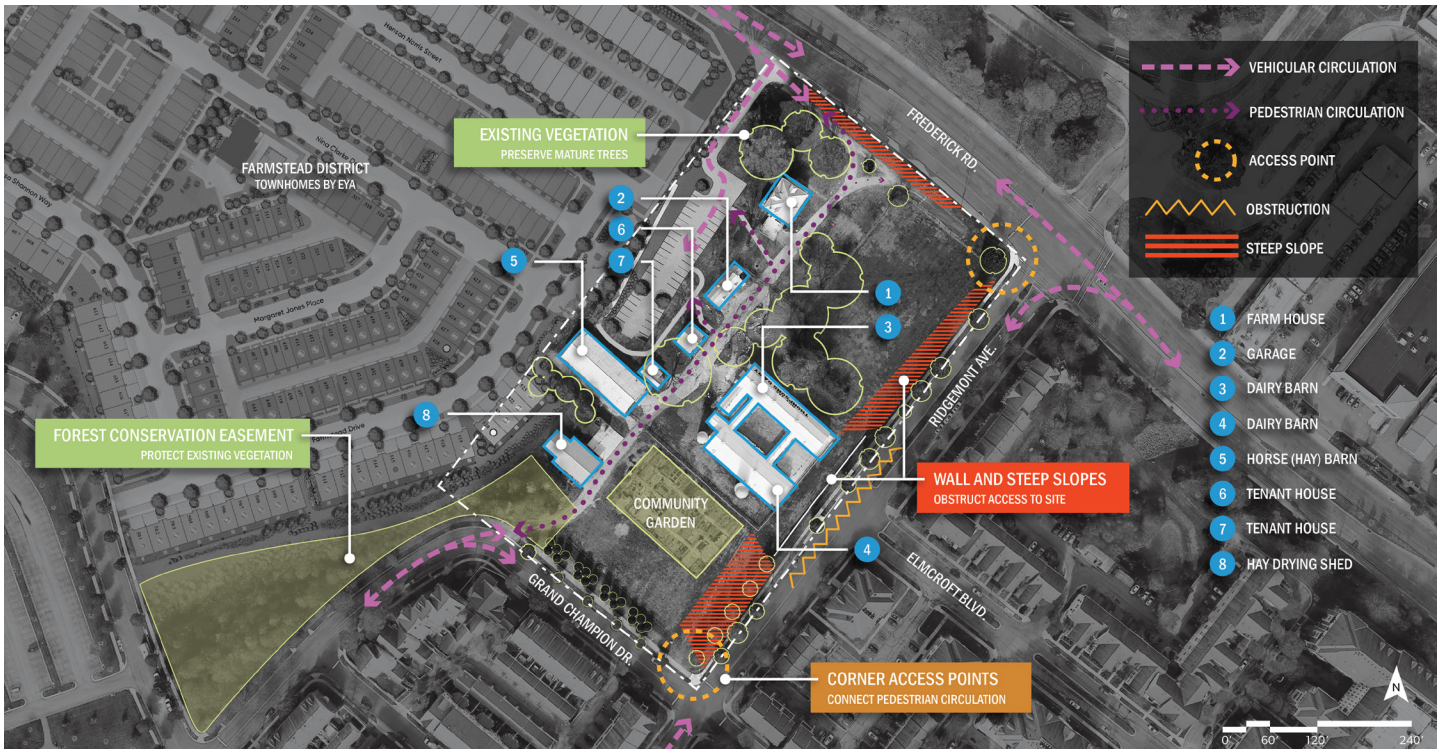
Farmstead District: 370 townhome and condominium units

Transit

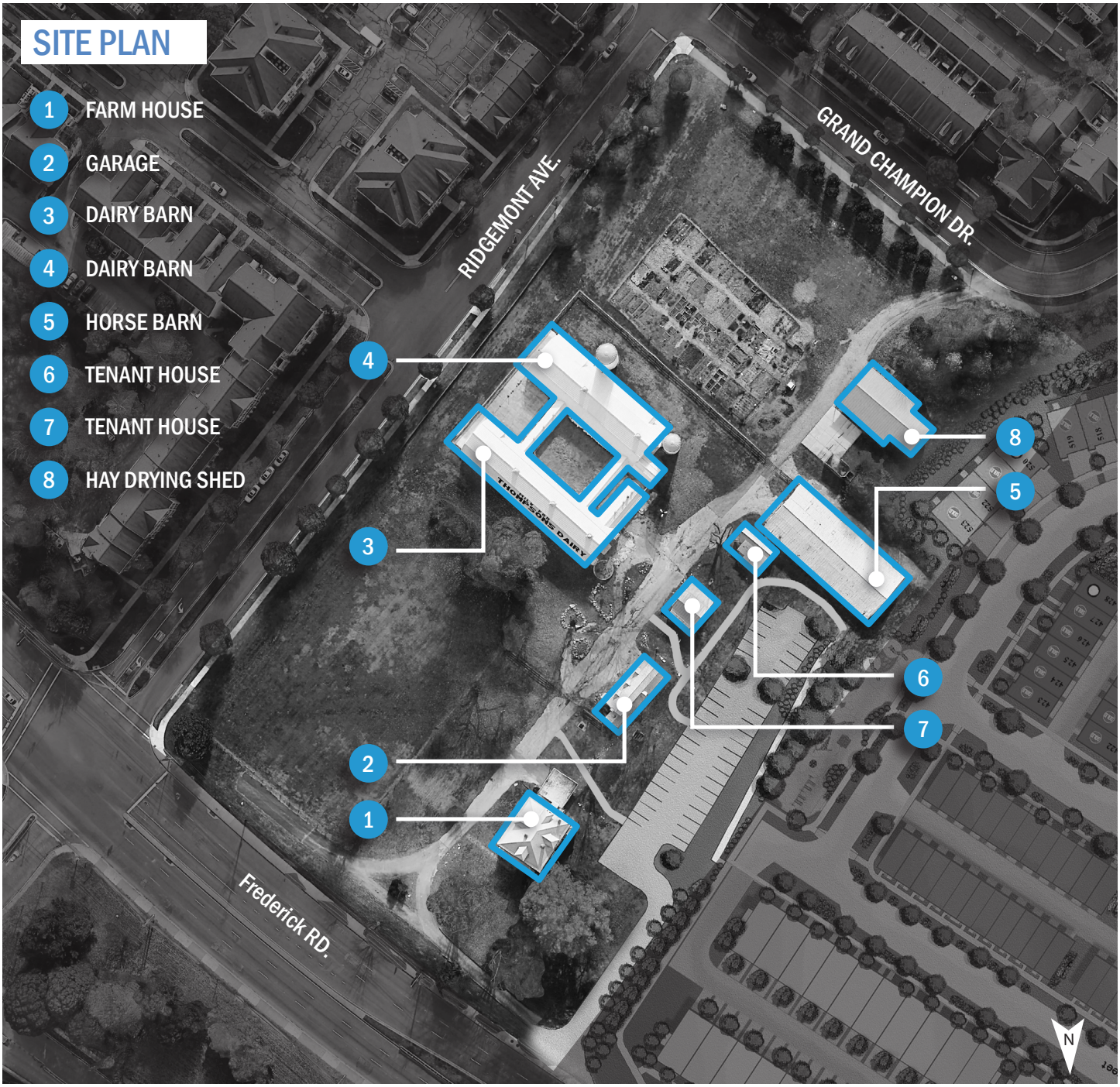
Shady Grove Metro Station:	15-minute walk or .6 miles
Bus stop:	Corner of Frederick and Ridgemont with 3 bus lines
Bicycle Path:	Cycletrack via Frederick Road and shared path & roadways throughout the King Farm neighborhood



King Farm Farmstead location map



King Farm Farmstead site analysis



King Farm Farmstead building key plan

BUILDING CONDITIONS

A comprehensive existing conditions report was produced in 2014. This analysis reviewed each building on site and provided recommendations for stabilization, maintenance and historic preservation. Comments regarding future public use were also included, most importantly addressing accessibility.

For detailed information of the building systems please reference the full report. The following pages are a brief summary of the full report for reference with some updates on work that has been done since 2014.

King Farm Farmstead view from the south across the community garden
www.kingfarm.org

FARMHOUSE BUILDING 1

The farmhouse is in stable condition with no immediate structural or building envelope issues. To prepare the building for public use accessibility issues will need to be addressed. An accessible entrance will need to be provided and an accessible restroom is also needed.

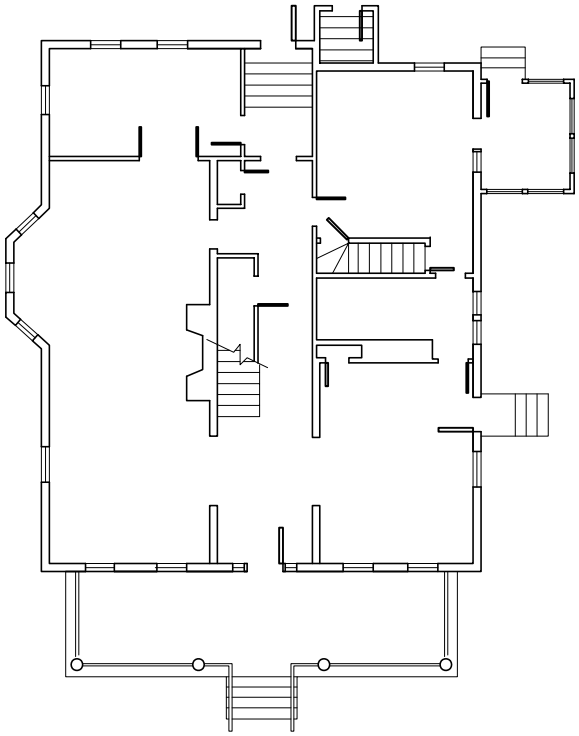
ADA access to the second floor would require the installation of an elevator. Therefore, any program located on level 2 must also be provided on level 1 to ensure accessibility. Alternatively, public access could be limited exclusively to the first floor. The basement and attic are designated for storage and are not anticipated to serve as programmable spaces.

In addition to the gross area take offs shown in the table below there is a 600 sq ft car port on the back of the house and a 300 sq ft porch on the front facing Frederick Road.

The current configuration functions as a residence, divided into rooms on the perimeter, and circulation space in the center. This limits the uses of the building to small function spaces.

Basement	**1,420 sq ft**
First Floor	**1,695 sq ft**
Second Floor	**1,600 sq ft**
Attic	**1,000 sq ft**
Total Area	**5,715 sq ft**

LEVEL 1



1 FARM HOUSE

GARAGE BUILDING 2

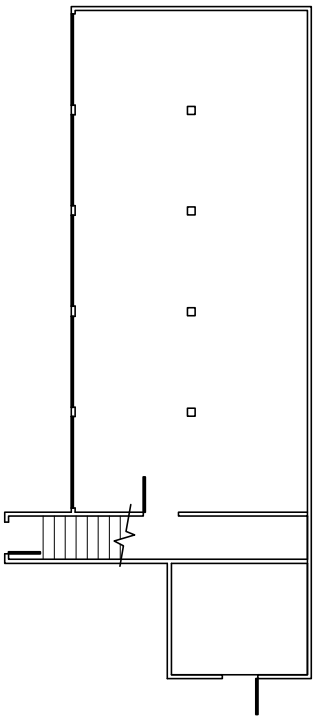
The garage is stable but has envelope issues which may lead to problems in the future. The building has five garage bays and a smoke room on the north side of the building separated from the garage bays by the stair to the second floor. The second floor is configured for 3 apartments and only has one means of egress. This limits the occupancy of the second floor.

The building is not accessible, as it lacks a man door on the ground floor and the second floor requires a lift. Otherwise, the open ground floor allows for multiple uses.

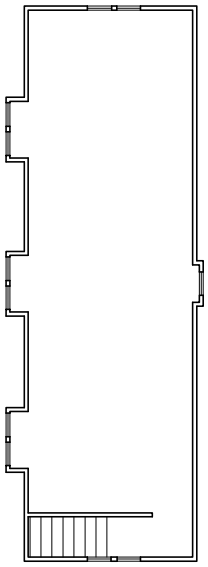
Significant repairs and improvements are required to bring the building up to code as there has been rot and water damage.

Level 1	**1,065 sq ft**
Level 2	**690 sq ft**
Total Area	**1,755 sq ft**

LEVEL 1



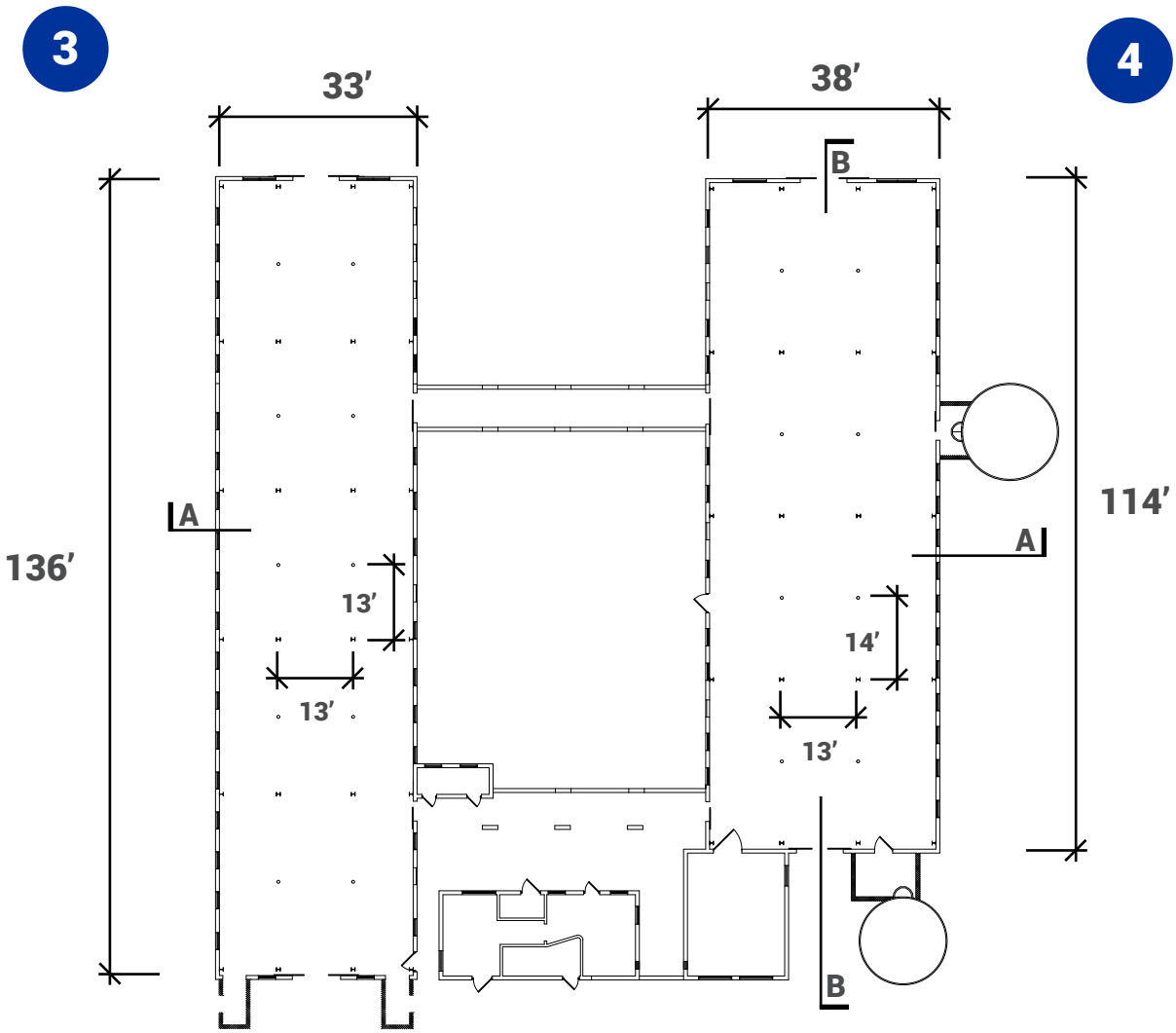
LEVEL 2



2 GARAGE

DAIRY BARNS
BUILDINGS 3 & 4

The Dairy Barns consist of two rectilinear buildings connected with two covered walkways, creating a courtyard in the center. The barn to the south is slightly larger in gross square feet as it is approximately 40'x114' with 13'x14' column bays on the ground floor level. The northern barn is slightly narrower but longer at 34.5'x136' with approximately 13'x13' bays on the ground floor level.

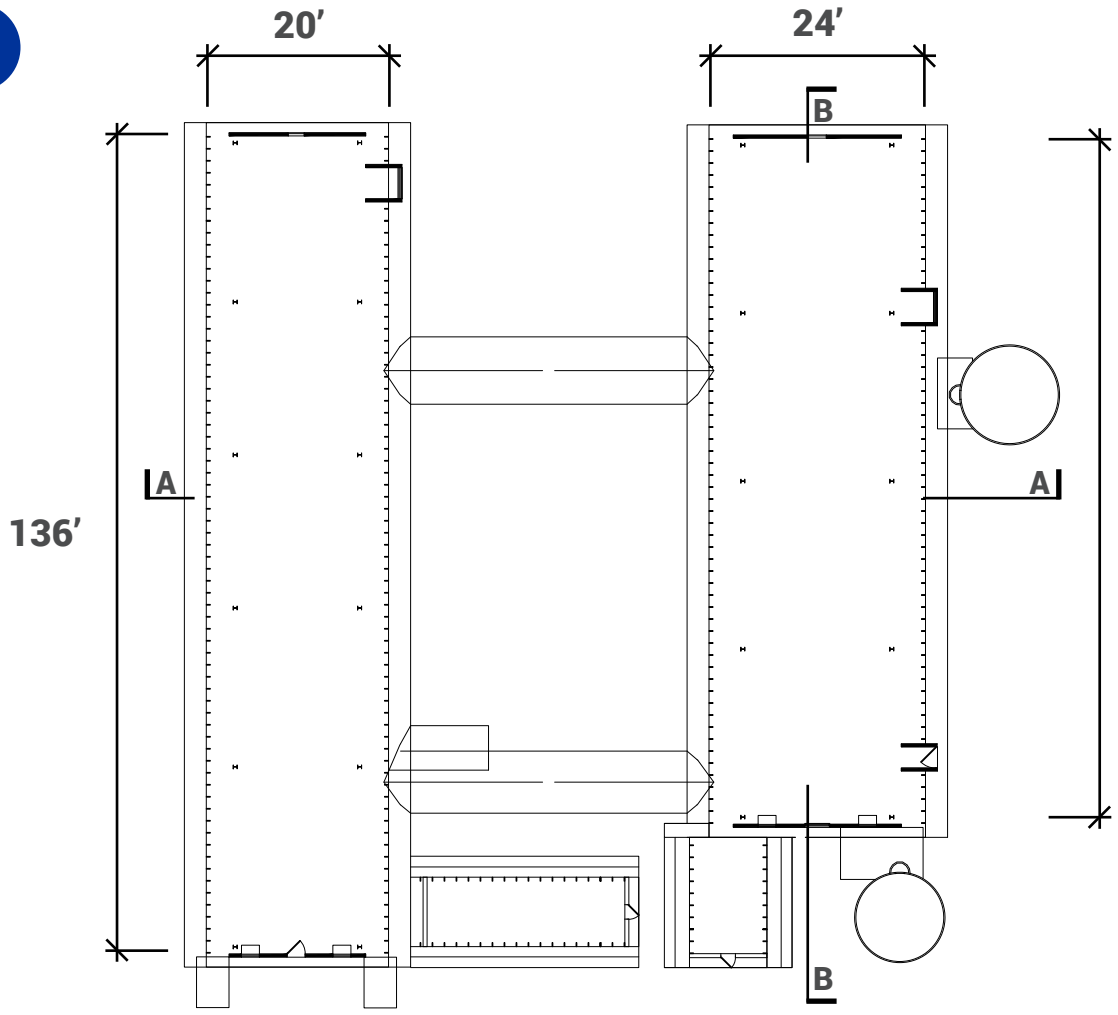


LEVEL 1

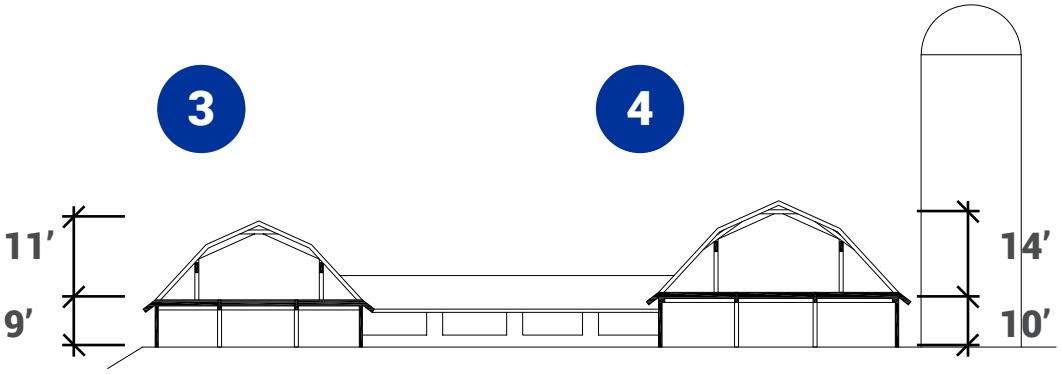
	North	South	Total
Level 1	4,740 sq ft	5,550 sq ft	10,290 sq ft
Level 2	3,990 sq ft	4,010 sq ft	8,000 sq ft
	8,730 sq ft	9,560 sq ft	18,290 sq ft

3

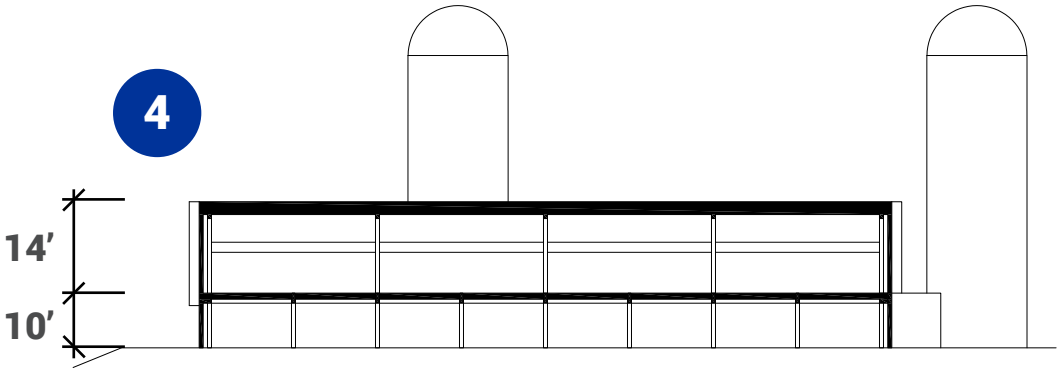
4



LEVEL 2



SECTION A



SECTION B

The barns have gambrel roofs that create a high vaulted space down the center of the 2nd level but have low ceilings along the long sides of the buildings. These lower spaces are not occupiable but could be utilized for mechanical systems or storage. This reduces the usable footprints of their second floors and limits their use, as a corridor would take up much of the remaining width. The second floor also has limited daylight as the roof does not have any skylights and the only windows are at the ends of the barns.

The milking shed houses the electrical room and is reserved for utilities. The barns once had approximately 4 grain silos of which 2 remain connected to the southern barn.

The barns were recently structurally reinforced with a new steel frame and wood I-joist for the second floor. The roofs have been replaced and the envelope made weather tight. The buildings, however, do not have insulation or mechanical systems. Plumbing and electrical systems will also need to be provided.

Depending on occupancy, additional egress measures may be required, and accessibility will need to be addressed, including elevators to the second floor. The ground floor will require a new floor slab. The existing windows are single pane uninsulated.

Utilities have been brought on site with water/sewer and electricity within 10’ of the buildings.

Existing courtyard looking east

Existing first floor

Existing second floor

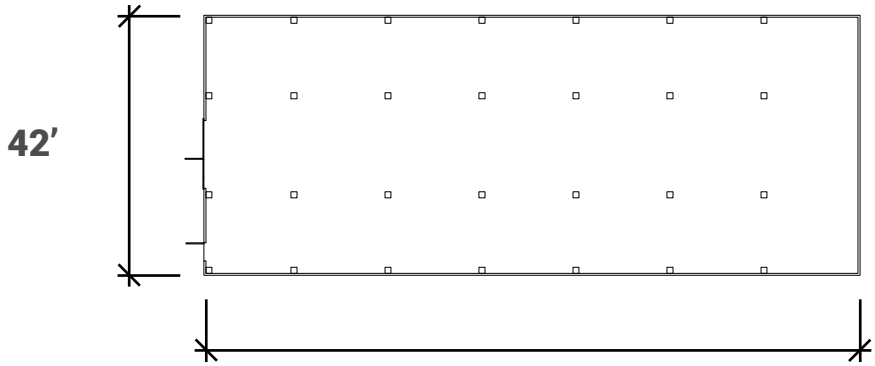
HORSE BARN BUILDING 5

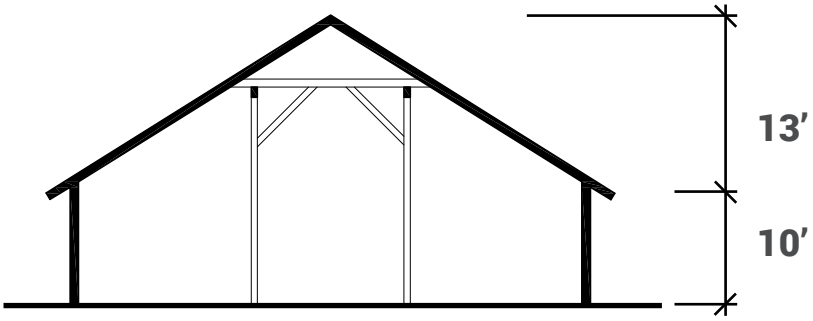
The Horse Barn was deemed structurally unsound in the 2014 assessment. It was recommended that the barn should be demolished and rebuilt using as much of the salvaged material as possible.

Rebuilding the barn provides an opportunity to reconfigure the interior structure enabling a free plan that could provide long term flexibility. It will also provide a chance to integrate insulation and building systems on the interior while maintaining the historic appearance on the exterior, contributing to the farmstead's historic character.

5 HORSE BARN

Level 1 **4,700 sq ft**



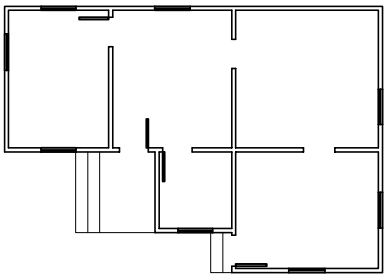


TENANT HOUSES
BUILDINGS 6 & 7

The farmstead has two tenant houses. Both are in bad condition. Building 6 next to the Horse Barn is the smallest of the two. The 2014 assessment recommended demolition and reconstruction with salvaged materials. This aligns well with the Horse Barn and provides an opportunity to build them together and possibly integrate them into one use.

Building 7 was assessed to be in slightly better condition in 2014. It is two stories so accessibility would need to be addressed as well as the existing envelope and building systems.

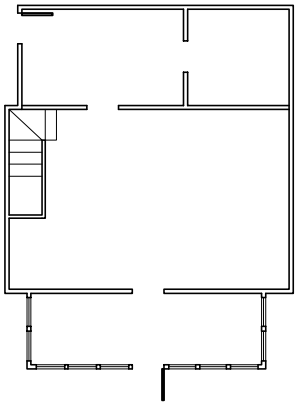
6 TENANT HOUSE



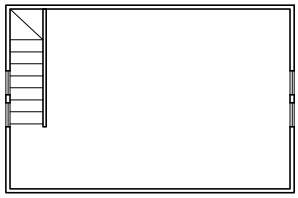
Level 1 **550 sq ft**

7 TENANT HOUSE

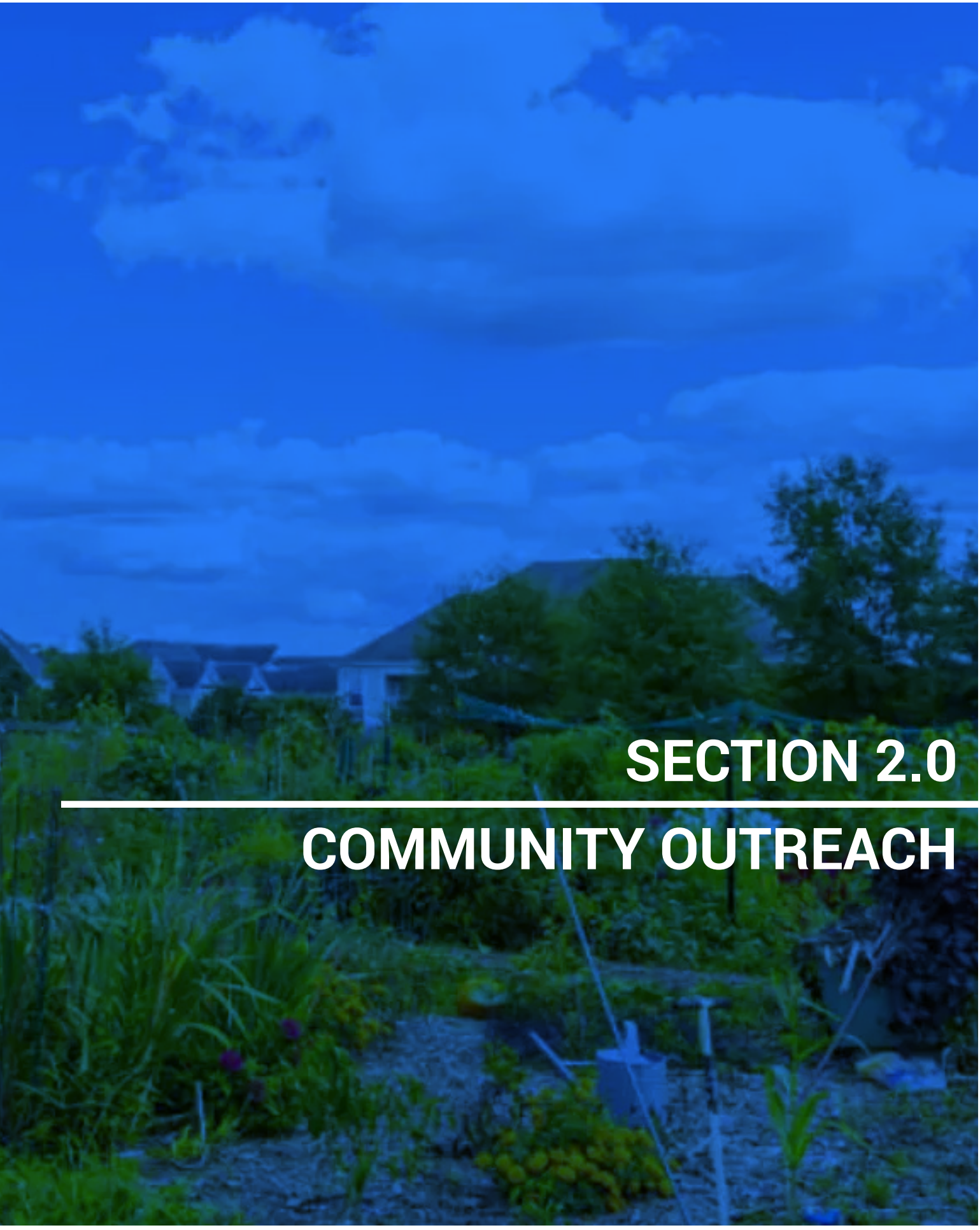
Level 1	**690 sq ft**
Level 2	**375 sq ft**
Total Area	**1,065 sq ft**



LEVEL 1



LEVEL 2



SECTION 2.0

COMMUNITY OUTREACH

EXIT

COMMUNITY OUTREACH

The City of Rockville set up a two-stage process to engage the community. The first stage included the deployment of the Engage Rockville website. Information on the park's history and work to-date such as the existing conditions and recommended uses reports were posted there. These documents can be found in the appendixes. Project updates were also maintained using the website.

In person and online public Visioning Sessions were also employed to inform the community of the project and to gather stakeholder opinion on the future use of the King Farm Farmstead.

The second stage of the process included in-person and online work sessions. As part of that, the stakeholder feedback was tallied and summarized from stage one.

Plan options were developed based on that feedback. The options were presented in the stage two filtering sessions, where participants were asked for their preference as well as any comments they might have.

The options and stakeholder preferences were then presented to the Mayor and Council who selected an option for further development. Their comments were incorporated into a new version of the master plan. This final version of the master plan was then used to produce a cost estimate and economic analysis as part of this report.

STAGE 1

SURVEY

An online survey was launched in January of 2025 on the Engage Rockville website, and it remained open until the end of April 2025. The survey had multiple choice questions as well as open comment sections. The goal of the survey was to find out what types of activities stakeholders wanted to see at King Farm Farmstead. The full results from the survey are included in the appendix.

VISIONING SESSIONS

Five Visioning sessions took place over eight weeks from March to April, four in-person and one virtual. The sessions utilized an open house format and consisted of five stations.

The process began with registration, participants were given stickers, Post-its, a pen and a post card with a QR code, linked to the Engage Rockville website.

Stakeholders were asked to place two color coded stickers on boards at each of the four programmatic stations to identify what activities they most wanted to see at King Farm.

They were also given a special sticker to mark their most favorite of all the activities. Participant were encouraged to use the Post-it notes to add any ideas they thought were missing from the boards or to provide any other feedback they might have.

The Introduction Station used maps, photographs, and diagrams to present the farmstead. The Live, Work, and Play board asked stakeholders to identify where they live, work, and play in relationship to the site.

Next the farmstead and its buildings were presented so that participants were aware of the existing conditions of the site and buildings.

Finally, participants were asked, "What makes King Farm Farmstead special?" The remaining four stations presented programmatic options. These activities were divided into four categories: Active, Passive, Events and Environment.

Active events included sports or other activities that tend to be loud and active such as dance or music.

Passive activities included quieter programs such as classes or reading spaces.

Events were temporary activities such as seasonal festivals or private events like weddings or banquets.

The Environmental category included programs which address sustainability as well as the landscape. This process is primarily about the farmstead buildings but connection to the landscape was also addressed in the environment category.

STAGE 1: DATA SUMMARY

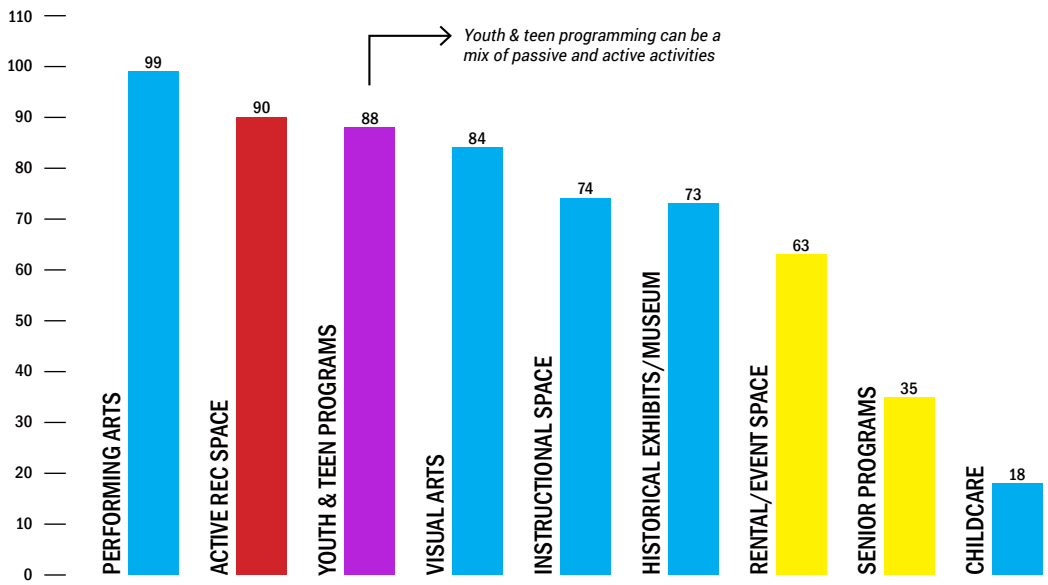
All the comments left on Post-it notes and provided in the open survey responses were used to produce the word cloud on the next page. You can see that History, Open Space, and Community stand out as popular themes.

The survey and Visioning Session programming preferences were similar for the most part, with events as well as performing and visual arts were popular in both.

The popularity of Active programs varied between the two. Active programming was more popular in the survey than in the Visioning Session results. Teen Programs also stood out more in the survey results than they had in the Visioning Sessions.

To visualize the popularity of different activities, on pages 32 & 33 we have taken the most popular images and provided the number of votes they received.

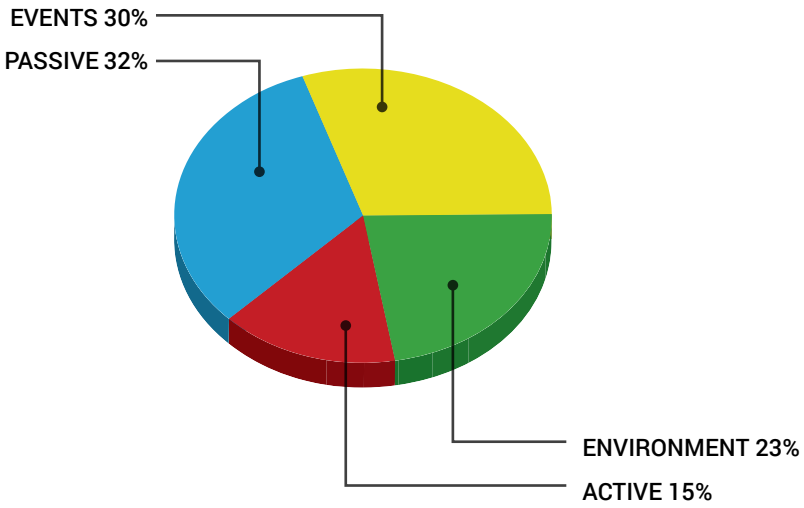
SURVEY PROGRAM PREFERENCE RESULTS



Distribution of programming based on how you ranked your top three choices. 246 total responses

Community Outreach Stage 1 word cloud

VISIONING SESSION PROGRAM PREFERENCES



Distribution of program type based on how you used your overall favorite sticker. 93 total responses

The farmer's market and performance space were by far the most popular but in general the takeaway was that activities that can share multipurpose spaces tended to be popular and activities that required specialty spaces were lower priorities.

The exception to this was the opportunity for a teaching kitchen and makerspaces.

The public also provided additional ideas in the survey and at the Visioning Sessions. We have listed a few on the next page as examples.

In preparation for Stage 2 of the public engagement, the data collected in Stage 1 was synthesized into program recommendations and then applied to concept plans. These plans were presented in Stage 2 for more public feedback. The recommendations and concepts are described in more detail in Section 3 & 4 of this report.

STAKEHOLDERS' VISIONS FOR KING FARM FARMSTEAD PARK

Compiled from survey free responses and Visioning Session post cards.

"...bridge the past and present through hands-on experiences with nature and agriculture."

"...beautiful space to learn about history."

"Rockville has a wide variety of recreational and cultural opportunities... I see King Farm as a location that will augment these activities."

"...events where our diverse population could engage with each other."

"...a multi use space, cultural programming in support of food... grow specific foods, cook them, teach others, celebrations of cultural differences."

"A beautiful place with educational, entertaining facilities for the enjoyment of all ages."

"...in keeping with the good soil and hands-on spirit of the farm"

"Make this a destination for Rockville."

"...maintain its originality while making great use of it."

"Public space for cultural and arts activities and pursuit... expand on agricultural heritage."

ADDITIONAL STAKEHOLDER IDEAS

PASSIVE

POTTERY STUDIO
MODEL RAILROAD
PETTING ZOO
MODEL RAILROAD
LANGUAGE CLASSES
TOOL RENTAL
ROBOTICS
BED & BREAKFAST

ACTIVE

BIKE REPAIR SHOP
LAWN GAMES
TRAMPOLINE
ZIP-LINE
BALLET STUDIO
CURLING
ARCHERY RANGE
NON-PROFIT
COMMUNITY BIKE SHOP

EVENTS

OPEN MIC
LOCAL ART EXHIBITS
CULTURAL FESTIVALS
JAZZ FESTIVALS
FORUMS
MARKETS IN OFF-SEASON
PUBLIC-PRIVATE PARTNERSHIP
COMEDY
DAYTIME PERFORMANCES
LIVING HISTORY EVENTS
4H

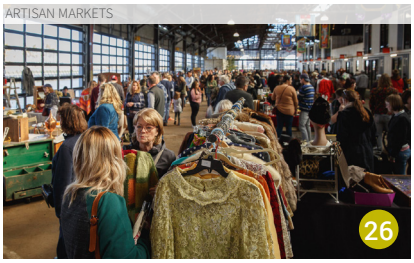
ENVIRONMENT

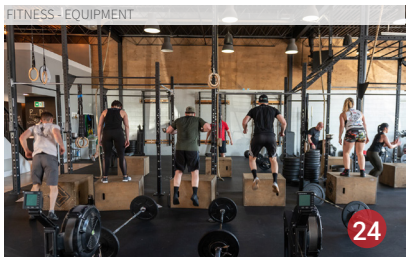
STARGAZING
NATIVE PLANTINGS
RAIN GARDENS
FLORAL EXHIBITS
FRUIT TREES
BIRDWATCHING
AGRICULTURAL RESEARCH
GARDENING AND FARMING EDUCATION
FARM TO TABLE
SEASONAL NATURE EXHIBITS

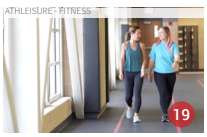
VISIONING SESSIONS: FEEDBACK DOTS

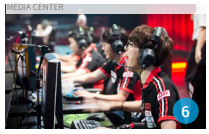
30+ votes

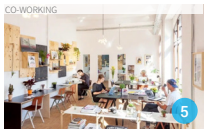
20<30 votes

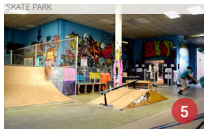


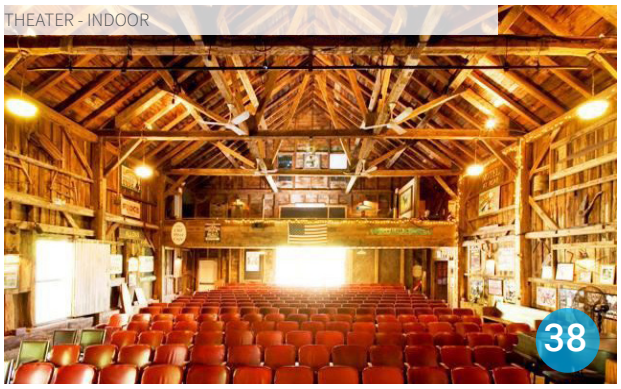










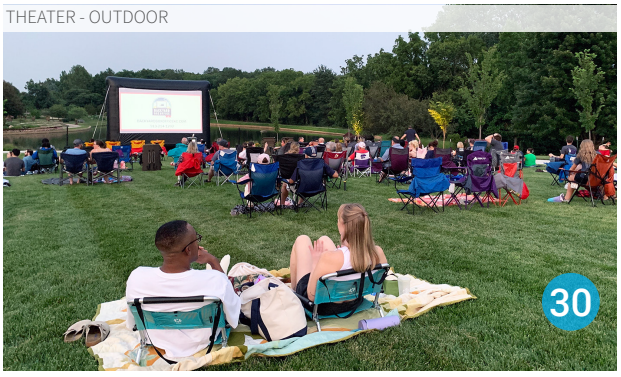


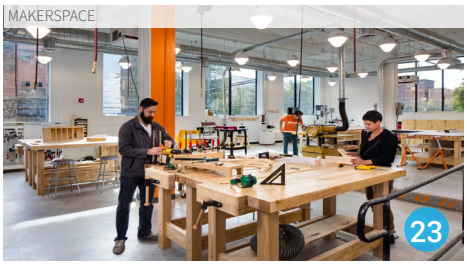
PASSIVE

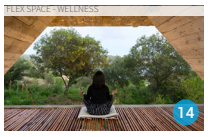
ACTIVE

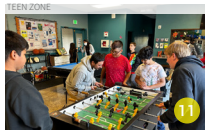
EVENTS

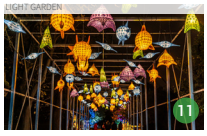
ENVIRONMENT

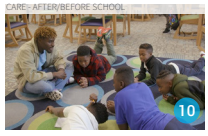


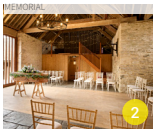












STAGE 2: FILTERING

The second stage of the community engagement consisted of a second set of open house workshops. Two in-person workshops and one virtual workshop took place at the end of May and beginning of June.

Similar to the Visioning Sessions in stage one, there were five stations. The first station, in addition to introducing participants to the farmstead, summarized the stage one data and presented the findings from that data. The remaining four stations were used to present building use options of which participants were asked to choose their preferred option and encouraged to add feedback via Post-its again.

Members of the design team and Rockville's Department of Recreation and Parks were present to discuss and receive feedback on the options. Section 4 contains more detail on each of the concepts but below is a brief summary.

OPTION 1 MINIMAL INTERVENTION

Keeping the Dairy Barns as they are. Spaces with lower ceiling height requirements are placed in the dairy barns. The Horse Barn can be reconstructed with clear spans to create a multipurpose hall.

OPTION 2 MEDIUM INTERVENTION

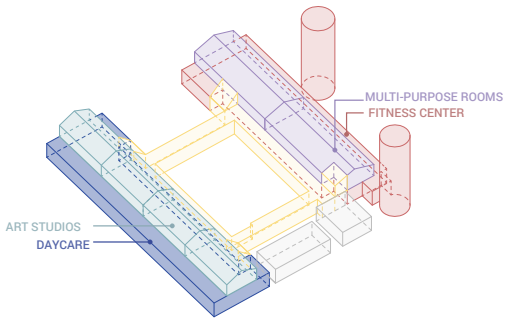
Multipurpose Hall in the dairy Barn – requires new structure to remove the second floor and support the roof structure.

OPTION 3 MEDIUM INTERVENTION

2 smaller Multipurpose Halls split by the kitchen but also connected by the loft above the kitchen. Additionally, the second-floor roof is opened up to create more usable space on the second floor.

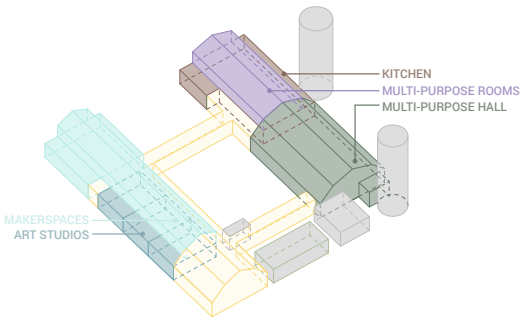
OPTION 4 HIGHER INTERVENTION

Multipurpose Hall added to the east end of the Dairy Barns. Double height space that can connect the second floor of both barns.



OPTION 1

4 VOTES



OPTION 2

19 VOTES

Options Two and Four were the most popular but all the options received feedback during the filtering sessions. Below are some of the comments left on the various options.

The next step in the process was to present the findings from the community engagement process to the Mayor and Council, including all four concept options. Their feedback was used to refine the concept down to a single option. This would be the basis for the economic analysis and construction cost estimate.

Refer to Section 5 for the concept refinement, Section 6 for the economic analysis and Section 7 for the construction cost estimate.

"Makerspaces are inclusive spaces that enrich our community and elevate our future."

"Silos...Arts. Maybe a structure hanging above and kaleidoscopic light filtering through."

"Add a cafe/library"

"Move kitchen to the end to provide more performance space."

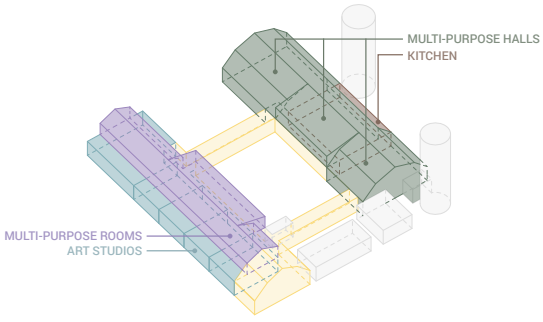
"Combine arts/tech and makerspaces in dairy barns. Move daycare to tenant house."

"Keep it simple and get it done!"

"Love the idea of multiple makerspaces to keep loud and dirty activities separate... Great opportunity for jobs, art and people of all ages."

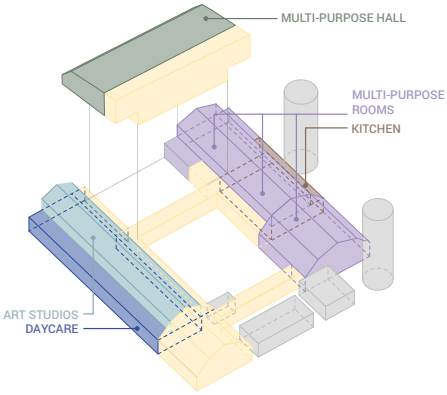
"Make the optional addition glass..."

"Seniors have recently renovated center... Youth have new skate park... DAYCARE is needed."



OPTION 3

13 VOTES



OPTION 4

32 VOTES

SECTION 3.0

RECOMMENDED ELEMENTS

RECOMMENDED ELEMENTS

PROGRAM

The recommended elements have been developed through conversations with the Department of the Recreation and Parks, review of previous reports and input of stakeholders through the community engagement process described in the previous chapter.

A broad selection of program activities were collected. Redundant items that are already provided in Rockville or those that do not meet the requirements of the farmstead's covenant were filtered out. Items that would not fit on site were also removed.

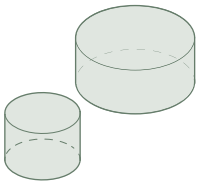
Applicable program items were then separated into the four categories described in the community engagement process, Active, Passive, Events, and Environmental.

These categories were a way of dividing up a lot of information into digestible bites. Many of the items can cross categories so the categories themselves are not critical but rather the spaces they require as the goal will be to make a multi-purpose facility that is flexible for the long term.

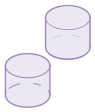
The images used during the Visioning Sessions are meant to be generic, though they do show particular activities, the project is still in the conceptual phase. Further program development will be required. It is still too early to say if an arts space will have drawing or pottery classes. This process was meant to gather general preferences.

These preferences were synthesized into space requirements. Programs that could share space of similar size were grouped together in an effort to develop a master plan that is flexible and adaptable for changing needs and circumstances.

MULTIPURPOSE HALLS
2,000-5,000 SQ FT
+20 FT CLEAR HEIGHT

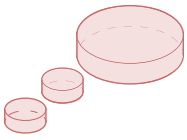


MULTIPURPOSE ROOMS
700-1800 SQ FT
10-15 FT CLEAR HEIGHT



ARTS & TECH
4 X 600 SQ FT
10-15 FT CLEAR HEIGHT

WELLNESS
2,000-5,000 SQ FT
10-30 FT CLEAR HEIGHT



MULTIPURPOSE HALLS

MULTIPURPOSE ROOMS

ARTS & TECH

WELLNESS

Many of the most popular activities such as markets or performances would require a large hall space. Other popular activities could share smaller multipurpose spaces such as dance or music practice rooms.

Some spaces are very specialized such as the makerspace, teaching kitchen and daycare. While others can overlap such as the Teen Center which can use a variety of the multipurpose rooms, functioning more like a recurring event rather than a separate space.

The wellness space could be incorporated into multi-purpose rooms but some wellness spaces such as gyms that require equipment can be more specialized spaces.

Arts and technology spaces can also vary. Some require specialized equipment and a dedicated space while others could function in a variety of spaces.

Additional program planning will be required in the next phase of the project to determine the details of these specialized uses. The intent of this master plan is to layout an infrastructure for a multipurpose building and to identify locations for specialized spaces where they can be used efficiently.

The cylinder beside each of the program descriptions is to scale and depicts the space requirements of each category at the same scale. The heights of the cylinders also represent the clear height needed for each category. This will be important as we look at the existing buildings.

For example, the dairy barn first floor is approximately 8’ clear below the beams with an approximately 13’ column grid. This limits the uses for this space in its existing configuration. The concept options will need to take these limitations into account.

YOUTH / TEEN CENTER
+/- 2,000 SQ FT

MAKERSPACE
1,500-3,000 SQ FT
10-20 FT CLEAR HEIGHT

DAYCARE
2,000-4,000 SQ FT

KITCHEN
1,500 SQ FT
10 FT CLEAR HEIGHT

YOUTH / TEEN CENTER

MAKERSPACE

DAYCARE

KITCHEN

COMMUNITY GARDEN

URBAN AGRICULTURE

SITE PLAN

1 FARM HOUSE
2 GARAGE
3 DAIRY BARN
4 DAIRY BARN
5 HORSE BARN
6 TENANT HOUSE
7 TENANT HOUSE
8 HAY DRYING SHED

RIDGEMONT AVE.
GRAND CHAMPION DR
STAGE/SCREEN LOCATION
Frederick RD.
N

ACTIVATED AREA
GREEN
CONNECTION

FLEX LAWN

THEATER - OUTDOOR

LEISURE

MUSIC FESTIVAL

LANDSCAPE

This process is focused on the farmstead buildings, but we need to mention the stakeholder's emphasis of the importance of the landscape to the community.

The open space, history of the site and community gardens are all items to be preserved.

The site plan on the previous page includes feedback received from stakeholders at the Visioning Sessions regarding the landscape and its relationship to the buildings.

Stakeholder feedback reinforced existing uses such as the community garden and Hay Drying Shed pavilion. Other uses of the landscape were also identified and listed here for future consideration.

GATHERING SPACE

OUTDOOR DINING

EVENT SPACE

FOOD MARKETS

FUTURE CONSIDERATION

GARDENS

SEASONAL

GREENHOUSE

PUBLIC ART

NATURE BASED EDUCATION

PLAY

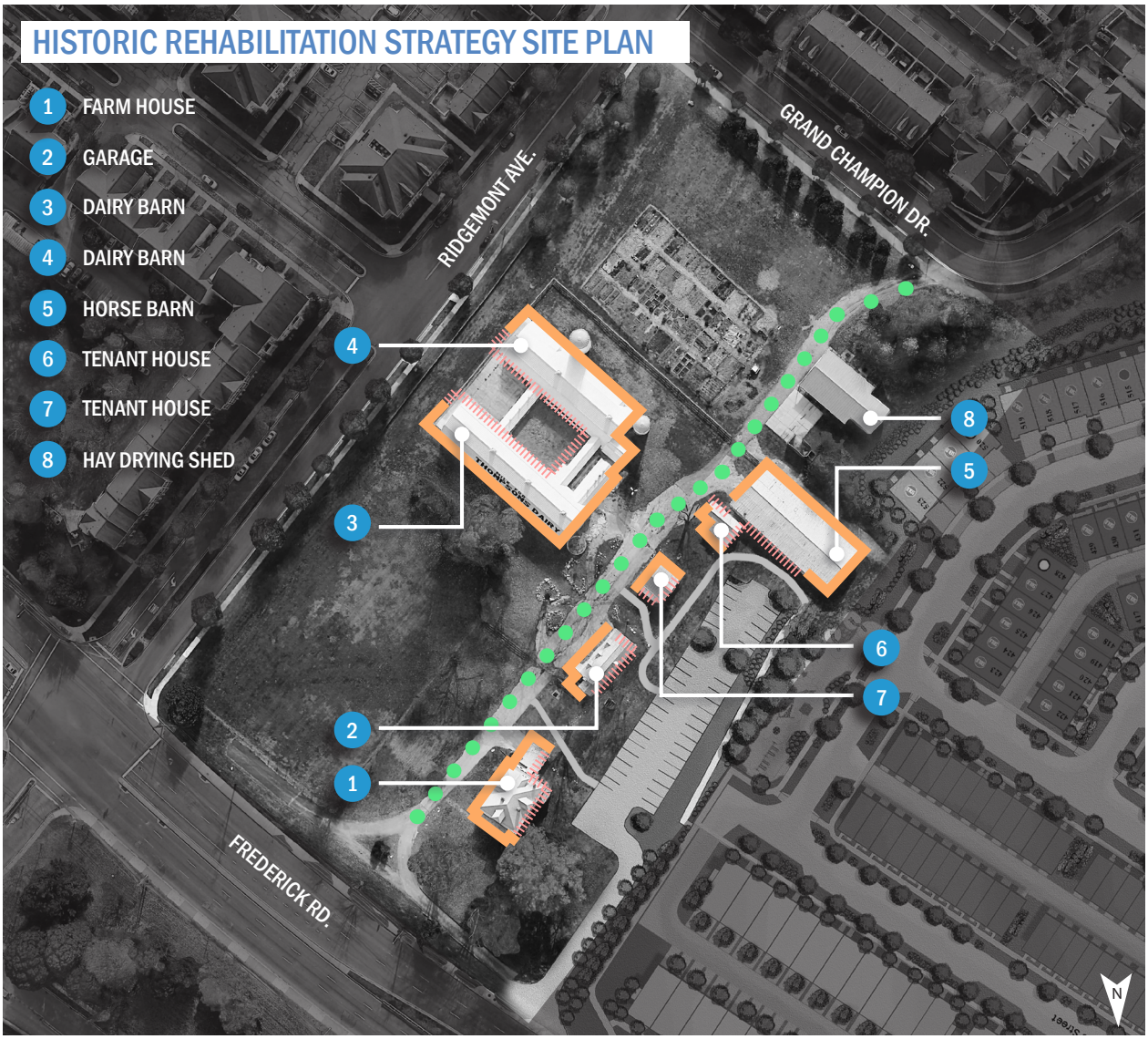
HISTORIC PRESERVATION

On the following page, is another site plan, showing the proposed historic rehabilitation strategy.

The approach is to maintain a historic corridor along the spine of the site. Limiting interventions to those required for code compliance along the historic driveway. Larger interventions intended to modernize the campus would be placed along the sides of the buildings marked with a dashed line.

The intent is to preserve the feel of the historic farmstead while updating the buildings to meet the needs of the community. Interventions would be designed to contrast with the historic buildings so that the historic fabric can be distinguished from new.

This master plan is only the first step in the redevelopment of the farmstead. It is intended to determine the future use of the site and will set the stage for further development. The master plan will provide the roadmap to developing the site with approval required by the Historic District Commission as well as other regulatory approvals.



As the landscape and each building are designed, ways of incorporating the history of the landscape and farmstead should be developed in cooperation with the community. Interpretive signage, art works, and other ways of conveying the area's history can be incorporated into the design at each stage.

This master plan shows images to inspire what is possible but is not at all a final product. It is meant as a framework.

HISTORIC CORRIDOR

HISTORIC ELEVATION WITH MINIMAL INTERVENTION REQUIRED TO BRING THE BUILDING UP TO CODE.

LOCATION OF LARGER INTERVENTIONS OR ADDITIONS REQUIRED TO MAKE THE BUILDING FUNCTION IN ITS NEW USE.

PARKING

Parking provides a conundrum at King Farm Farmstead. Parking is necessary to provide visitors with access to the site. Yet space on site is limited and the stakeholders have identified the open space and historic value of the landscape as its greatest attributes.

A parking lot containing 47 spaces was built by EYA as part of their development of the property to the north. This lot is dedicated to the farmstead's use. In addition to those spaces on site there are approximately 25 parallel parking spaces along Ridgemont Avenue beside the site with time limitations. Mattie JT Stepanek Park has over 250 spaces and is less than a quarter of a mile away or about a 5-minute walk. This park however is reserved for a possible middle school development so these spots may not be available in the long term. Activities in Mattie JT Stepanek Park can occupy the majority of those spaces on occasions so coordination of events is required.

The King Farm Farmstead benefits from multiple transit opportunities beyond car commuting. The site has excellent public transit opportunities. Shady Grove Metro Station is a 15-minute walk or about .6 miles away. There is a bus stop at the corner of Frederick Road and Ridgemont Avenue with three bus lines.

Bicycle connectivity is also high with shared roadways throughout the King Farm neighborhood. Cycle Tracks are proposed along Frederick Road, MD 355, which will also benefit from the proposed Flash Bus Rapid Transit (BRT). The infrastructure for these projects is scheduled to start construction in 2028 and be completed in 2031.

King Farm Farmstead also has an incredible walkshed with approximately 15% of Rockville's residents residing in the adjacent neighborhoods. The evolution of ride sharing applications in the past ten years provides yet another alternative to driving as well.

A parking reduction of 20% seems appropriate when the transit options discussed above are considered. To vet this suggestion, traffic and parking consultants should be engaged in the next stage of the project. Their expertise can also address traffic concerns.

The table on the following page shows the parking required by Rockville zoning for the refined concept, presented in Section 5. This establishes a baseline parking requirement of 88 spaces in Phase 1 and a total of 131 spaces in Phase 2. A 20% reduction due to transit options results in a suggested parking allocation of 71 spaces in Phase 1 and an additional 35 spaces in Phase 2 for a total of 106 spaces required when the project is completed. The existing on site parking, street parking on Ridgemont Avenue and accessible parking spaces to be located near the building entrances will provide 77 spaces. Phase 2 will require the use of spaces at Mattie JT Stepanek Park for the balance of the suggested spaces.

Two hundred spaces were established as the maximum parking capacity for the farmstead. This was determined by limiting the overflow parking sent to Mattie JT Stepanek Park to approximately half its capacity.

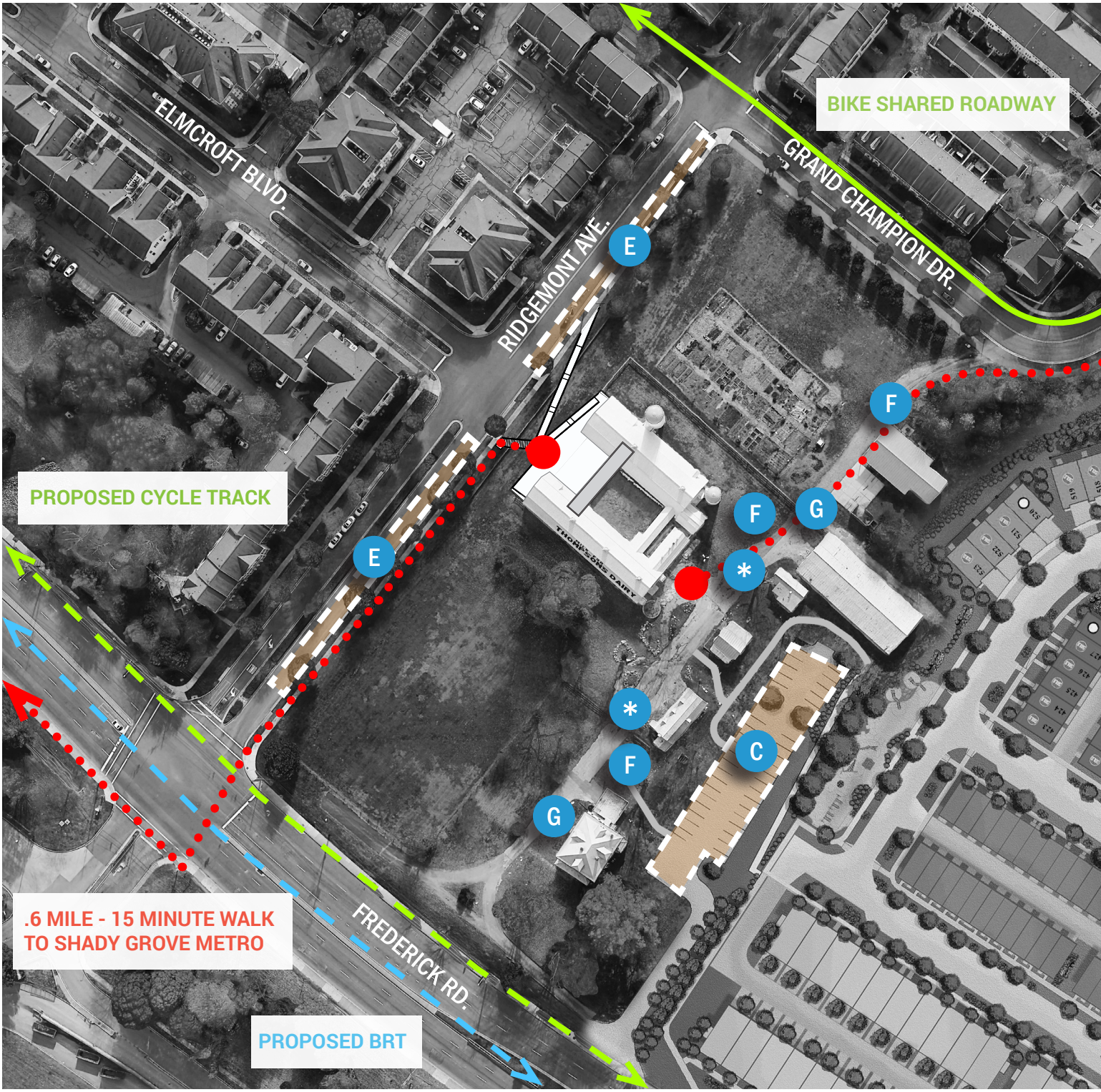
The maximum parking space figure was used to establish a theoretical operational schedule based on the ability of users to find parking. Refer to the Economic Analysis in Chapter 6 for additional information.

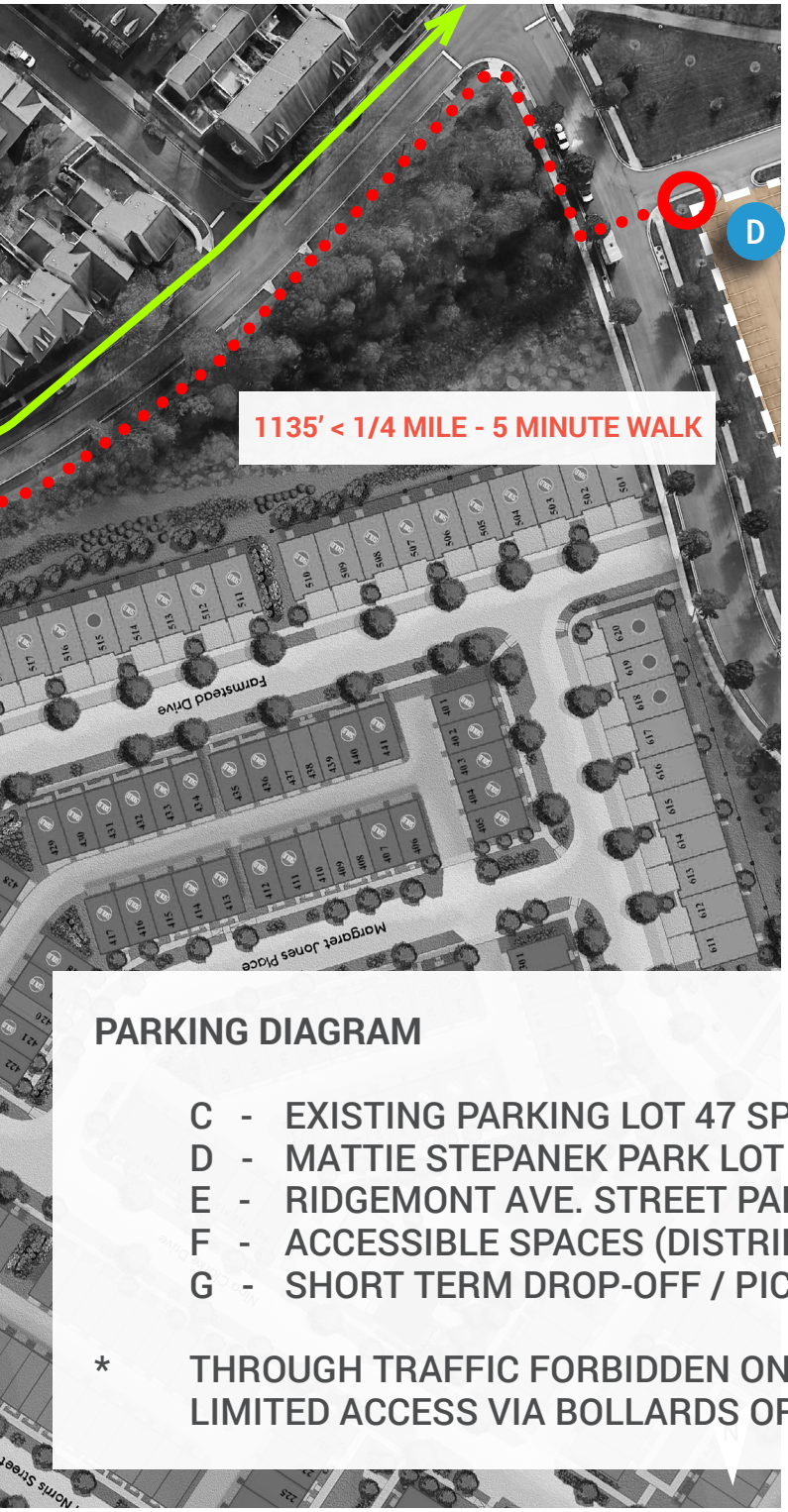
Parking: Base Zoning - Reductions for Transit Options

Building	Area	Seats / DC spots	Use	Ratio	Base	Reduction	Suggested
Phase 1						Mass Transit Walkshed Bike Paths Ride Share	
Farmhouse	1,200	30	Daycare	1/6 children	5		
Dairy Barns	16,470		Community Center	1/200 sq ft	83		
					88	20%	71
Phase 2							
Tenant House 2	1,065		Community Center	1/200 sq ft	6		
Garage	1,755		Community Center	1/200 sq ft	9		
Horse Barn & Tenant House 1	5,540		CC/H&F	1/200 sq ft	28		
					43	20%	35
						Total Spaces	**106**

Parking Distribution per Phase

Phase / Capacity	Onsite		Ridgemont (along site, existing)	Mattie	Total
	Lot	Accessible on Driveway			
Phase 1	47	5	25	0	77
Phase 2	47	7	25	27	106
Maximum Capacity	47	7	25	121	200


ELMCROFT BLVD.
RIDGEMONT AVE.
GRAND CHAMPION DR.
BIKE SHARED ROADWAY
PROPOSED CYCLE TRACK
E
F
G
*
C
.6 MILE - 15 MINUTE WALK
TO SHADY GROVE METRO
FREDERICK RD.
PROPOSED BRT



PARKING DIAGRAM

The existing 47 spaces (C) and the 25 street spaces along Ridgemont Avenue (E) are used in Phase 1.

Phase 2 takes advantage of the excess parking capacity of Mattie JT Stepanek Park (D) to meet the suggested parking requirements.

The maximum parking capacity used in the Economic Analysis uses less than half of the spaces available at Mattie JT Stepanek Park (D) or ~120 out of over 250 spaces located at the park.

PARKING DIAGRAM

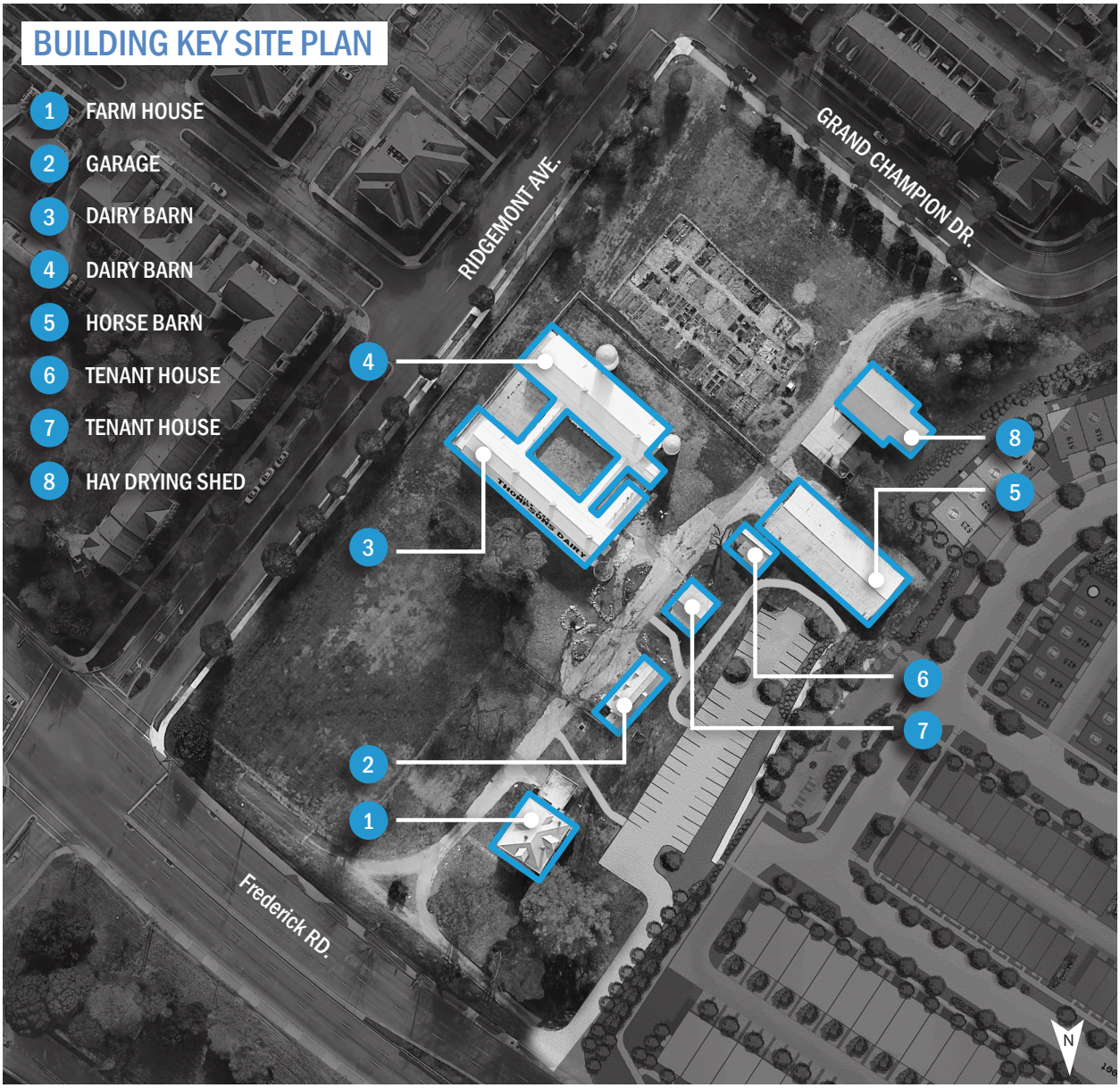
C - EXISTING PARKING LOT 47 SPACES
D - MATTIE STEPANEK PARK LOT ~250 SPACES
E - RIDGEMONT AVE. STREET PARKING - 25 SPACES - TIME LIMITED
F - ACCESSIBLE SPACES (DISTRIBUTED NEAR ENTRANCES)
G - SHORT TERM DROP-OFF / PICK-UP PARKING

* THROUGH TRAFFIC FORBIDDEN ON THE FARM DRIVE.
LIMITED ACCESS VIA BOLLARDS OR OTHER TRAFFIC DEVICES TBD.

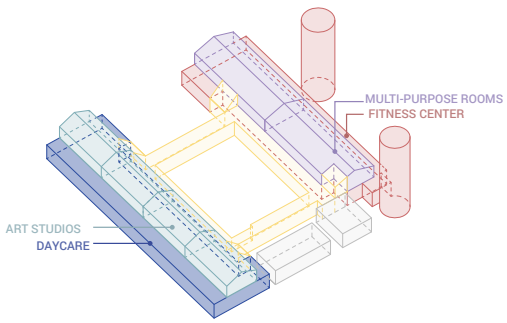
1610

SECTION 4.0

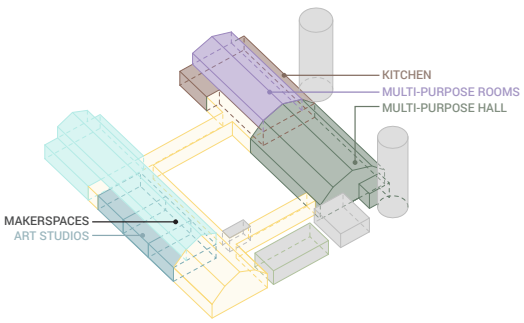
CONCEPT DESIGN



OPTION 1
MINIMAL INTERVENTION



OPTION 2
MEDIUM INTERVENTION



CONCEPT DESIGN

The overall program is similar between all four options. The application of specialized space varies between some options. The location and the amount of specific programs can vary as well.

The primary distinction between the different options is in the level of intervention on the Dairy Barns as they house the majority of enclosed space at the farmstead.

The Dairy Barn configurations drive the options. The smaller buildings can be adjusted ala carte as desired for the concept refinement stage.

PROGRAM KEY

MULTIPURPOSE HALL

KITCHEN

MULTIPURPOSE ROOM

STUDIO

FITNESS

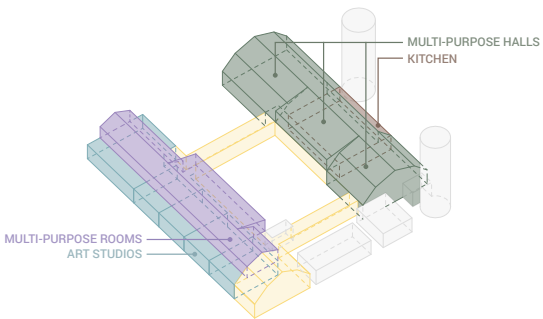
DAYCARE

MAKERSPACE

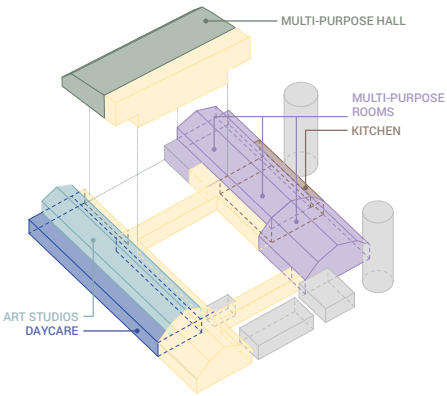
SUPPORT

YOUTH / TEEN CENTER

OPTION 3
MEDIUM INTERVENTION



OPTION 4
HIGHER INTERVENTION



CONCEPT OPTION NO. 1

MINIMAL INTERVENTION

Option 1 works with the dairy barns as they are as much as possible. Demolition and new construction are limited to updates required by code for accessibility and life safety.

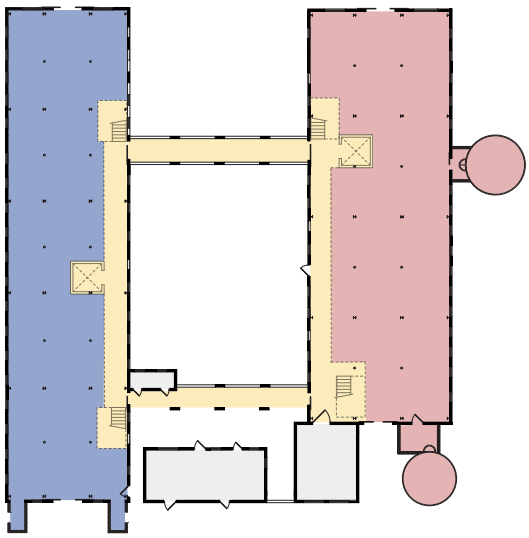
Spaces with lower ceiling height requirements are placed in the dairy barns on the first floor as the clearance is too low for the multipurpose hall or even for multipurpose rooms as the column spacing is quite close.

In this option the first floor of the north barn is dedicated to daycare. Above the daycare, a visual arts and technology space is suggested. The southern barn is programmed with wellness activities on the ground floor and the second floor is reserved for multipurpose rooms.

To accommodate the desire for a large multipurpose hall, the horse barn can be reconstructed with clear spans. This option includes the teaching kitchen so that events in the hall can use the kitchen. The tenant house adjacent to the horse barn is proposed to be used to provide services for the horse barn such as bathrooms and storage.

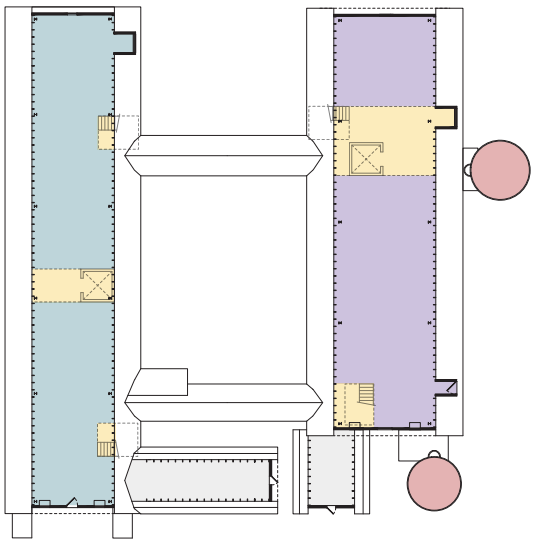
The larger tenant house and the garage are proposed to be used as makerspaces and the farmhouse is limited to support space in this option as it assumes limited accessibility without major intervention.

3 DAIRY BARN



LEVEL 1

4 DAIRY BARN



LEVEL 2

BUILDING PROGRAMMING

PROGRAM KEY

MULTIPURPOSE HALL

KITCHEN

MULTIPURPOSE ROOM

ART & TECH.

WELLNESS

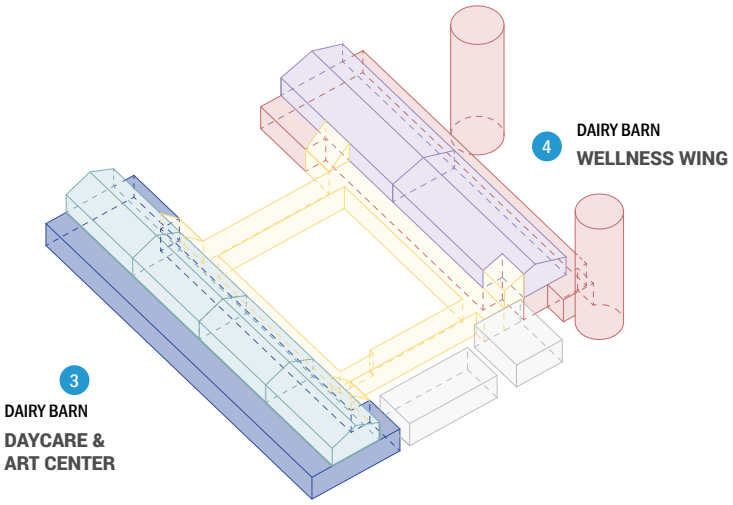
YOUTH / TEEN CENTER

SUPPORT

MAKERSPACE

DAYCARE

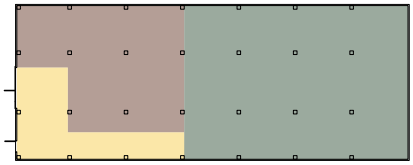
CIRCULATION



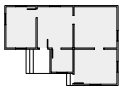
3 DAIRY BARN
DAYCARE & ART CENTER

4 DAIRY BARN
WELLNESS WING

5 HORSE BARN



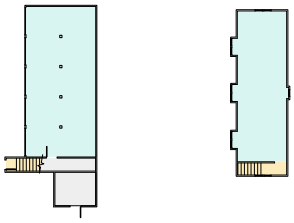
6 TENANT HOUSE



7 TENANT HOUSE

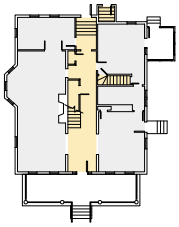
LEVEL 1 LEVEL 2

2 GARAGE



LEVEL 1 LEVEL 2

1 FARM HOUSE



CONCEPT OPTION NO. 2

MEDIUM INTERVENTION

This option considers modifying the dairy barns by removing portions of the second floor to create a double height entry and full height, multipurpose hall. These interventions would require some demolition and structural reinforcement of the roof where the second floor is removed.

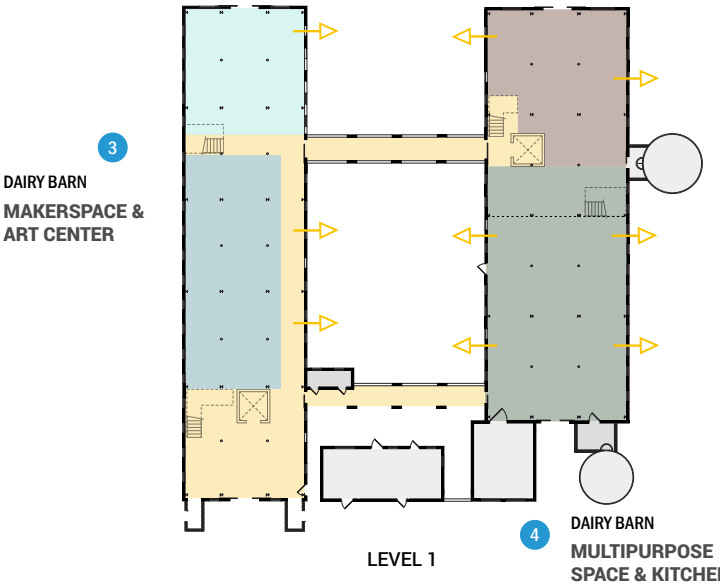
The north wing of the dairy barns is proposed to house art and technology rooms on part of the first floor and makerspace in the remainder of the wing. The southern wing would house a multipurpose hall with the teaching kitchen adjacent and multipurpose rooms above on the second floor.

The horse barn in this option is proposed to be a wellness center with a portion of the building reserved for changing rooms and storage. The adjacent tenant house is again proposed to be support spaces.

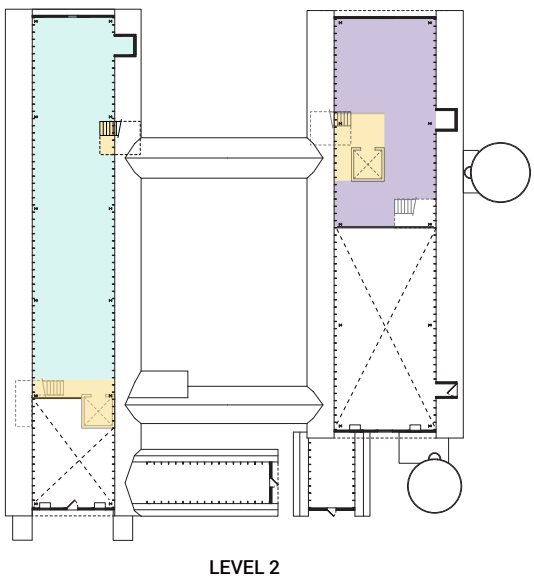
The larger tenant house is proposed to be an arts and technology space in this option, separate from the dairy barn it was envisioned as a possible artist studio or for programs run separately from the primary space in the dairy barns. Similarly, the garage is a separate makerspace from the primary space in the dairy barns, allowing for separate management and programing.

The farmhouse in Option 2 is a dedicated youth / teen center.

3 DAIRY BARN



4 DAIRY BARN



BUILDING PROGRAMMING

PROGRAM KEY

MULTIPURPOSE HALL

KITCHEN

MULTIPURPOSE ROOM

ART & TECH.

WELLNESS

YOUTH / TEEN CENTER

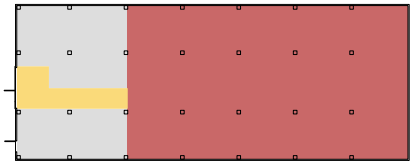
SUPPORT

MAKERSPACE

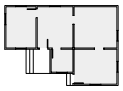
DAYCARE

CIRCULATION

5 HORSE BARN



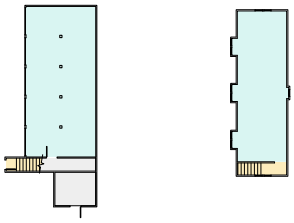
6 TENANT HOUSE



7 TENANT HOUSE

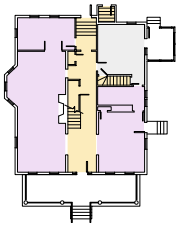
LEVEL 1 LEVEL 2

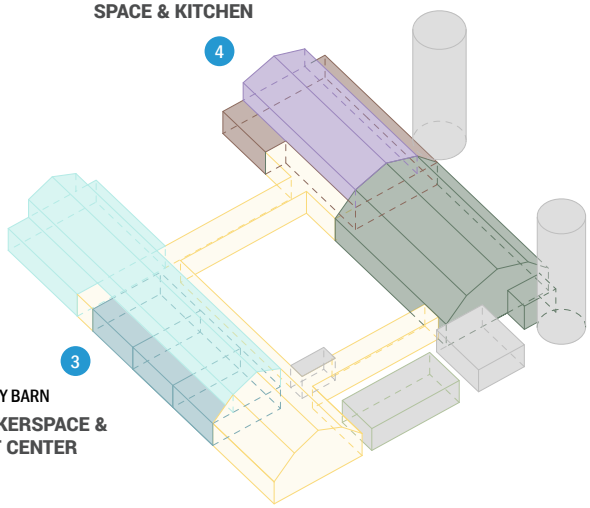
2 GARAGE



LEVEL 1 LEVEL 2

1 FARM HOUSE





CONCEPT OPTION NO. 3

MEDIUM INTERVENTION

Option 3 builds upon the previous option's intervention with the addition of dormers on the second floor of both wings facing the courtyard.

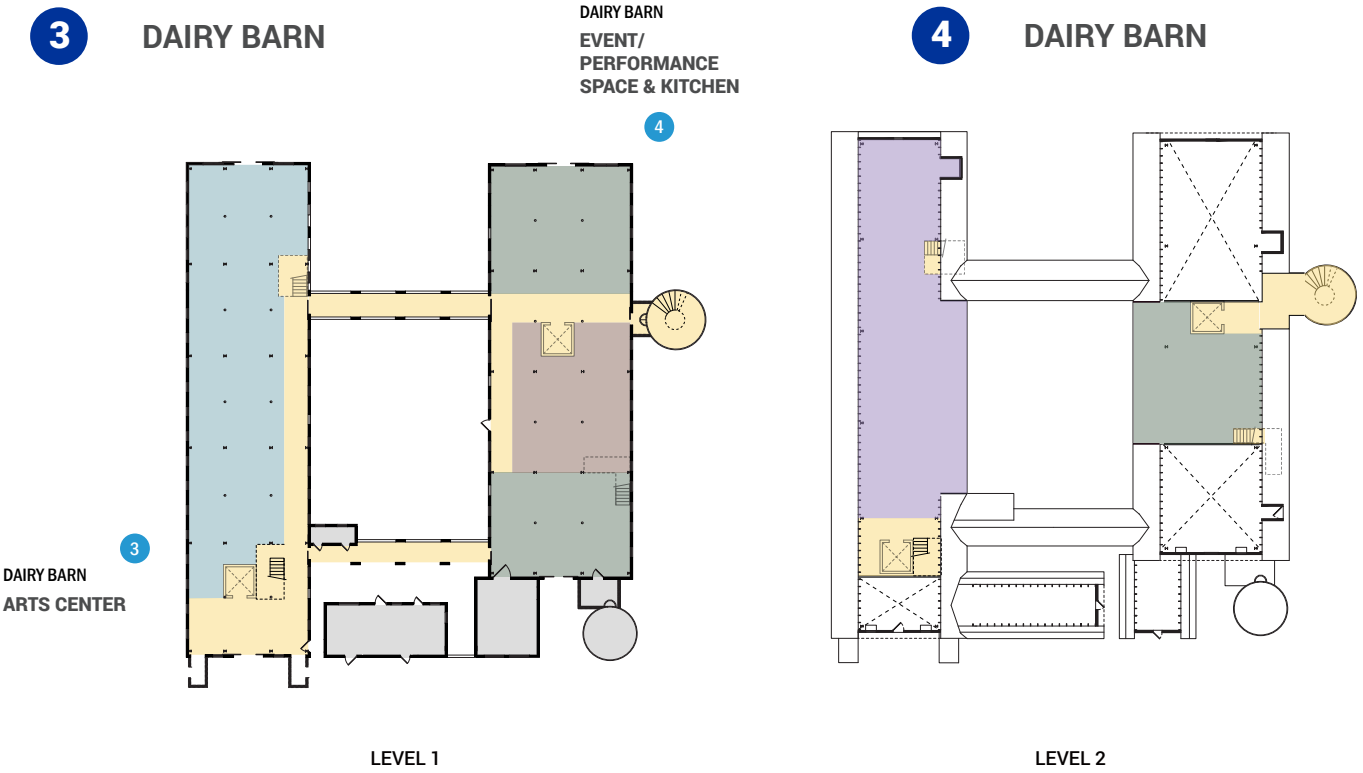
The dormers add usable space to the second floor and bring daylight into the center of the 2nd floor which otherwise only has windows at the end of each wing.

The north wing houses arts and technology spaces on the ground floor and multipurpose rooms on the second floor. The south wing in this option, centers the kitchen on the courtyard and creates two double height spaces on either side of the kitchen.

This option removes portions of the 2nd floor to create hall spaces on either side of the kitchen.

Wellness was placed in the horse barn in option 3, again connected to the tenant house next door for support spaces such as bathrooms and storage.

The larger tenant house and garage were designated makerspaces. The farmhouse, in this option, is utilized for daycare.



BUILDING PROGRAMMING

PROGRAM KEY

MULTIPURPOSE HALL

KITCHEN

MULTIPURPOSE ROOM

ART & TECH.

WELLNESS

YOUTH / TEEN CENTER

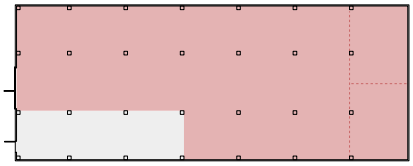
SUPPORT

MAKERSPACE

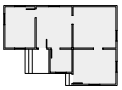
DAYCARE

CIRCULATION

5 HORSE BARN



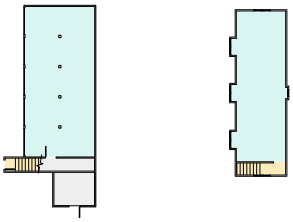
6 TENANT HOUSE



7 TENANT HOUSE

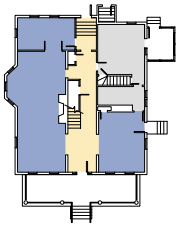
LEVEL 1 LEVEL 2

2 GARAGE

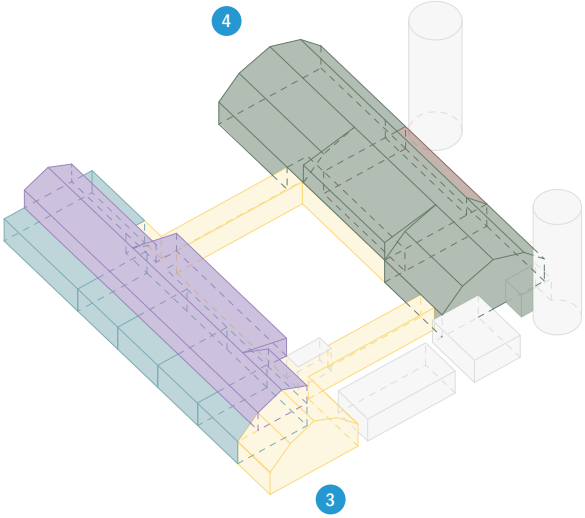


LEVEL 1 LEVEL 2

1 FARM HOUSE



DAIRY BARN
EVENT/PERFORMANCE SPACE & KITCHEN



DAIRY BARN
ARTS CENTER

CONCEPT OPTION NO. 4

HIGHER INTERVENTION

The fourth option includes an addition to the dairy barns on the east end of the central courtyard. The addition would connect both wings of the dairy barns with a conditioned space. The addition would be a two-story space with a bridge going through the space connecting both sides on the second floor as well.

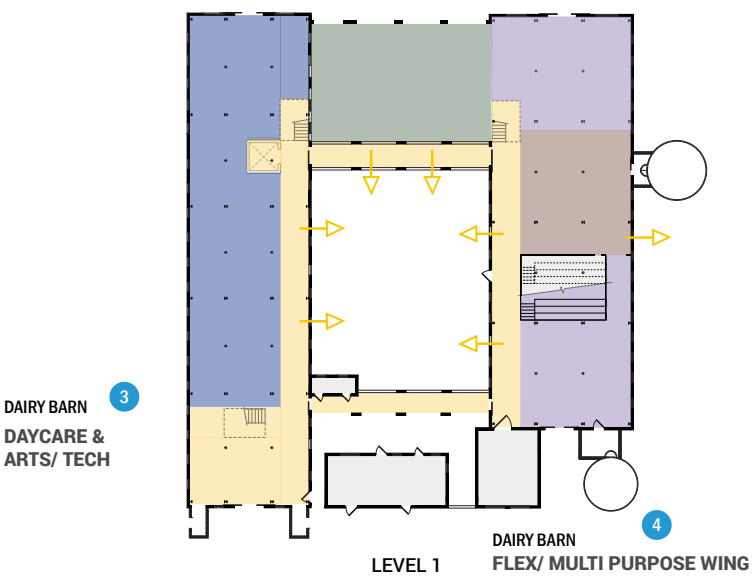
The multipurpose hall would be placed in the addition. The north wing would have daycare on the first floor and arts and technology spaces on the second floor.

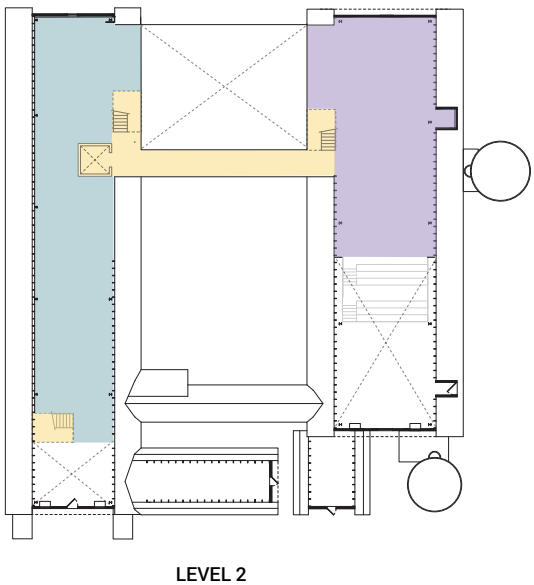
The teaching kitchen is located in the south wing, connected to the courtyard. A multipurpose amphitheater is shown to the west of the kitchen and a multipurpose room to the east, connected to the large hall. A third multipurpose room is located on the second floor.

The remaining buildings in option 4 are similar to those proposed in option 1 with wellness in the horse barn, maker's spaces in the larger tenant house and garage, and support services in the farmhouse.

3 DAIRY BARN

4 DAIRY BARN





BUILDING PROGRAMMING

PROGRAM KEY

MULTIPURPOSE HALL

KITCHEN

MULTIPURPOSE ROOM

ART & TECH.

WELLNESS

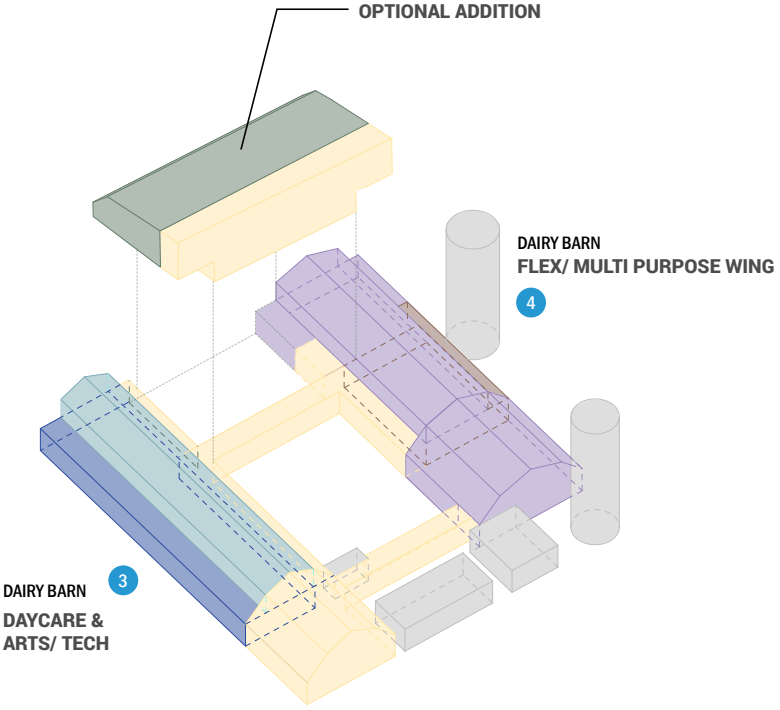
YOUTH / TEEN CENTER

SUPPORT

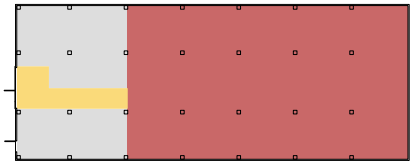
MAKERSPACE

DAYCARE

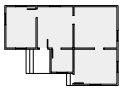
CIRCULATION



5 HORSE BARN



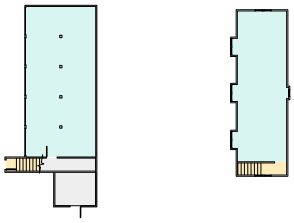
6 TENANT HOUSE



7 TENANT HOUSE

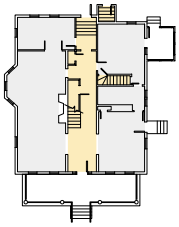
LEVEL 1 LEVEL 2

2 GARAGE



LEVEL 1 LEVEL 2

1 FARM HOUSE



CONCEPTS
WORK SESSION FEEDBACK
JULY 14, 2025

The first Mayor and Council Concepts work session was held on July 14, 2025. All four options were presented along with the stakeholder's preferences and comments from both stages of the public engagement process. Refer to Section 2 for additional information on the public engagement process.

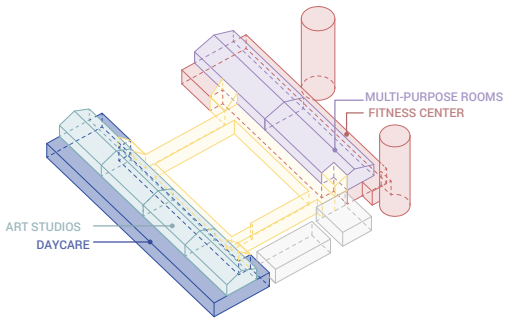
The Mayor and Council directed the design team to use Option 4 with some adjustments as the basis for the concept refinement to be used for the economic analysis and construction cost estimate.

Adjustments included moving the daycare to the farmhouse, extending the multipurpose hall into the north dairy barn wing, and providing a multipurpose space in the horse barn with two wellness rooms at one end.

The Mayor and Council requested that the cost of the addition be broken out separately from the rest of the dairy barn to approximate the cost of Option 2.

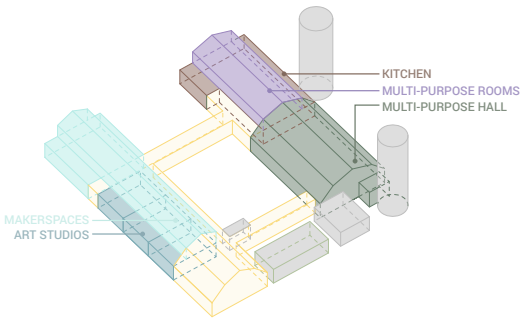
These comments and those from the stakeholders in the filtering session were used to develop a refined concept plan, presented at the September 29, 2025 Refined Concepts work session.

DAIRY BARN



OPTION 1

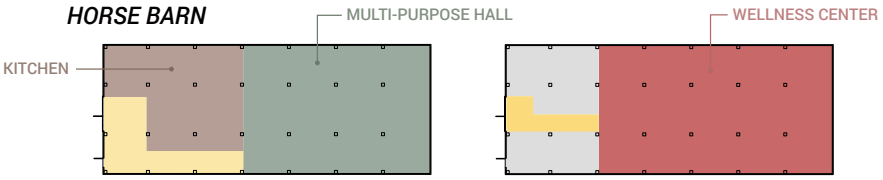
●●●● ***4 VOTES***

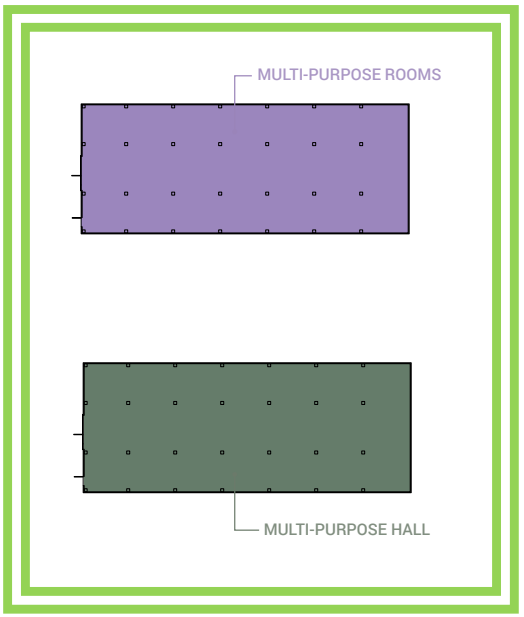


OPTION 2

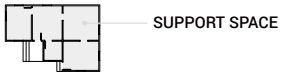
●●●●●●●●
●●●●●●●●
●●● ***19 VOTES***

HORSE BARN

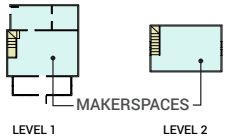


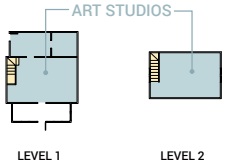


TENANT HOUSE 1

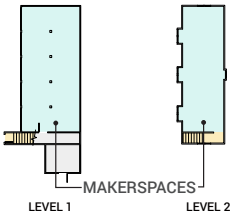


TENANT HOUSE 2

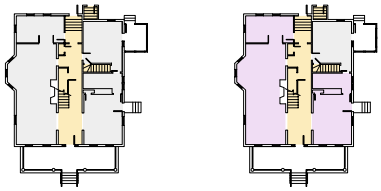


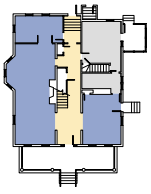


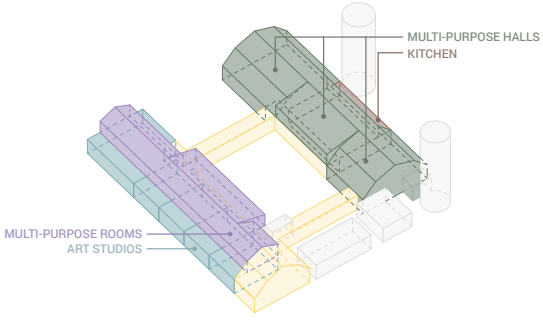
GARAGE



FARM HOUSE

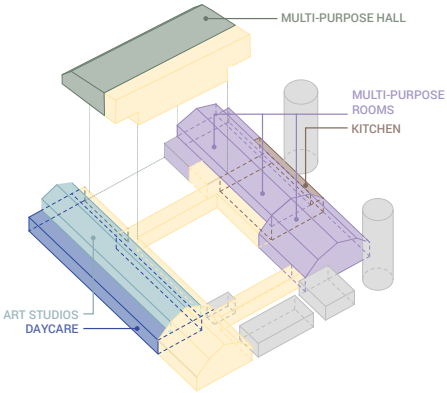






OPTION 3

13 VOTES



OPTION 4

32 VOTES

REFINED CONCEPT WORK SESSION FEEDBACK SEPTEMBER 29, 2025

The Mayor and Council Refined Concept work session was held on September 29, 2025. The refined concept package was presented at this meeting. The presentation included updated concept plans of the Dairy Barns, Horse Barn and Farmhouse based on the previous meeting's comments.

Renderings based on the refined concept plans, including an addition to the Dairy Barns and union of the Horse Barn with the adjacent Tenant House were presented. This included interior and exterior views of each. The Construction Cost Estimate was provided based on this refined concept package.

To implement the project, a three phased approach was recommended by the city staff. The Economic Analysis was based on this phasing plan. Refer to the complete presentation included in the appendix for additional information.

The Mayor and Council requested several updates for the presentation to be included in the first draft of the master plan. These updates addressed parking, phasing, and the cost estimate.

The Mayor and Council wanted more options for the parking, including options that would consider more creative solutions such as off-site parking and the availability of mass transit.

The Mayor and Council asked that stabilization of the silos be addressed in the cost estimate and that escalation, design fees, and the construction contingency figures be included in the estimate summary.

They directed the team to update the phasing to include the Dairy Barns and Farmhouse in phase one with the remaining buildings to follow in phase two.

DRAFT MASTER PLAN WORK SESSION FEEDBACK OCTOBER 20, 2025

The items from the September 29, 2025 work session were updated and included in the draft master plan dated, October 20, 2025, posted for public review on October 13, 2025. Refer to the appendix for the October 20 presentation which included three parking options, an updated phasing plan, and an updated cost estimate summary.

Following the review of the draft master plan and presentation on October 20th, the Mayor and Council had additional comments requiring edits to the master plan which have been incorporated into the draft dated December 8, 2025.

The Mayor and Council requested that the addition to the Dairy Barns be removed but the auditorium, the southeast terrace and bridge be incorporated into the plan. This change shifted the location of the kitchen to the Horse Barn as there is no longer a multipurpose hall in the Dairy Barns for the kitchen to support.

The Mayor and Council chose to provide no additional parking in the master plan, relying on the existing 47 spaces, approximately 25 spaces along Ridgemont Avenue adjacent to the farmstead, and additional spaces located at Mattie J.T. Stepanek Park. Refer to the parking section in the Recommended Elements Chapter for additional information.

The following Concept Refinement Chapter reflects the changes requested by the Mayor and Council during the work session on October 20, 2025. The previous concept is documented in the appendix within the Mayor and Council presentations.

SECTION 5.0

CONCEPT REFINEMENT

CONCEPT REFINEMENT

The refined master plan is a result of feedback received from the Mayor and Council during the three work sessions described at the end of Chapter 4. The refined master plan pulls from multiple options presented to the public in the Concept Phase. A description of each of the buildings and the work required to prepare them for their new use according to the master plan is provided in this section.

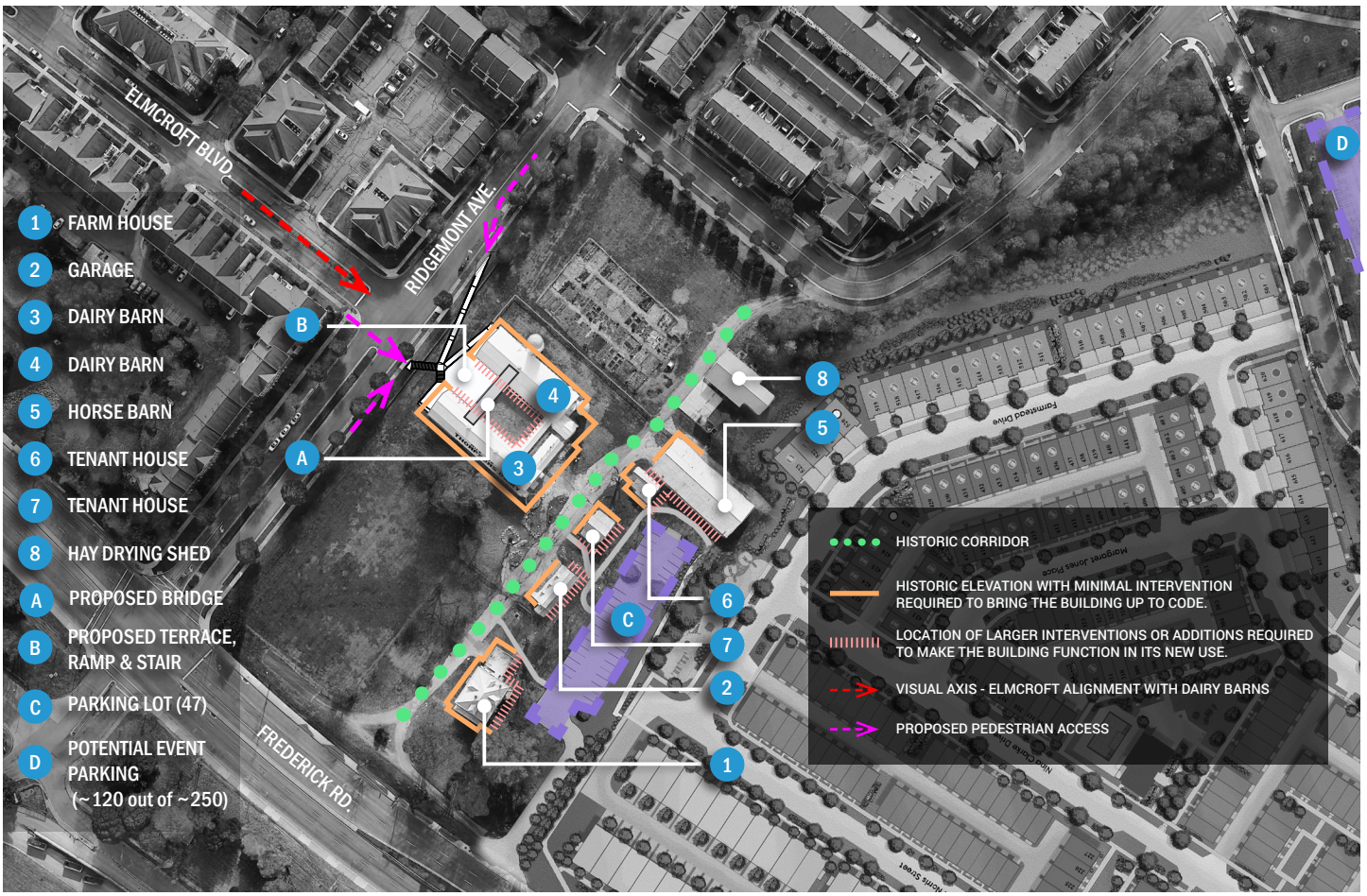
GENERAL SITE CONDITIONS

Utilities have been brought to the site including electrical service which is housed in the Milking Parlor on the west end of the Dairy Barns. Water and sewer infrastructure has also been provided and can be assumed to be within 10 feet of the buildings.

No additional on-site parking is included in the master plan as directed by the Mayor and Council. This plan recommends using the existing parking on site, adjacent street parking on Ridgemont Avenue and sharing parking with Mattie J.T. Stepanek Park to meet the parking needs of the farmstead.

It is recommended that traffic and parking consultants be involved in the future to review the parking and traffic impacts of the farmstead development.

This master plan process was focused on the programming of the farmstead buildings. It only loosely references the landscape design. This plan recognizes that the landscape design is important to the success of the project. Future phases of the project should



PROGRAM KEY

MULTIPURPOSE HALL

MULTIPURPOSE ROOMS

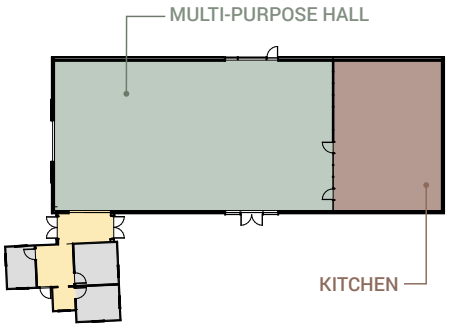
KITCHEN

ART & TECH.

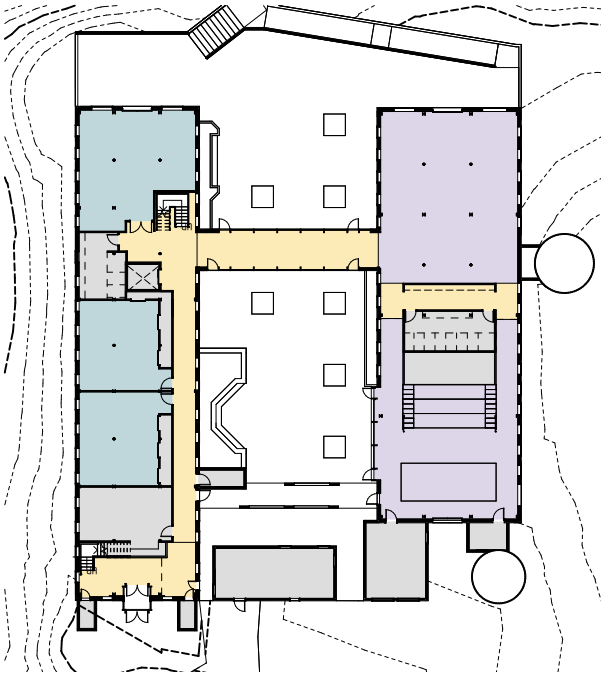
DAYCARE

MAKERSPACE

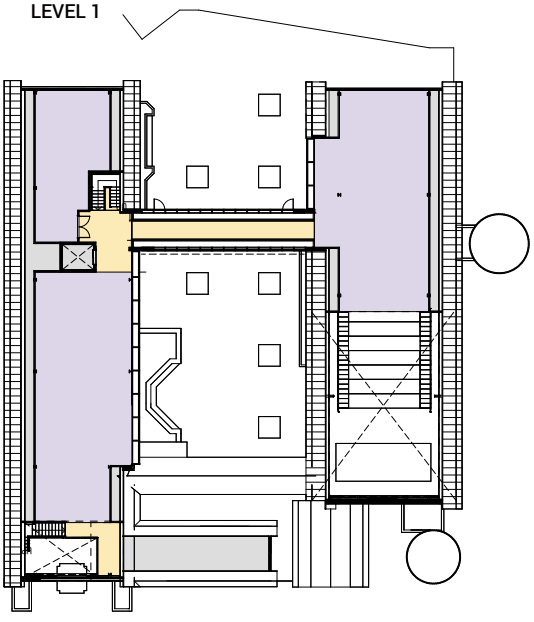
5 6 HORSE BARN / TENANT HOUSE 1



DAIRY BARN 3 4

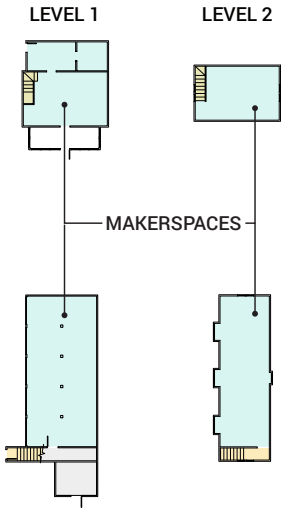


LEVEL 1



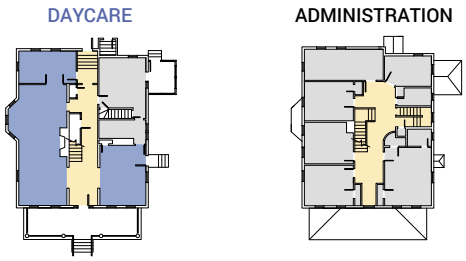
LEVEL 2

7 TENANT HOUSE 2



2 GARAGE

1 FARM HOUSE



address the landscape design, considering an overall strategy for the site and detailed design in coordination with each building as they are designed and completed.

Following up on the recommendations in the Historic Preservation section in Chapter 3, the history of the site and surrounding area should be recognized on the farmstead, both in the landscape and building design.

Accessible parking near entrances and the addition of a ramp and stair from Ridgemont Avenue to the Dairy Barns are recommended to increase accessibility of the site and buildings.

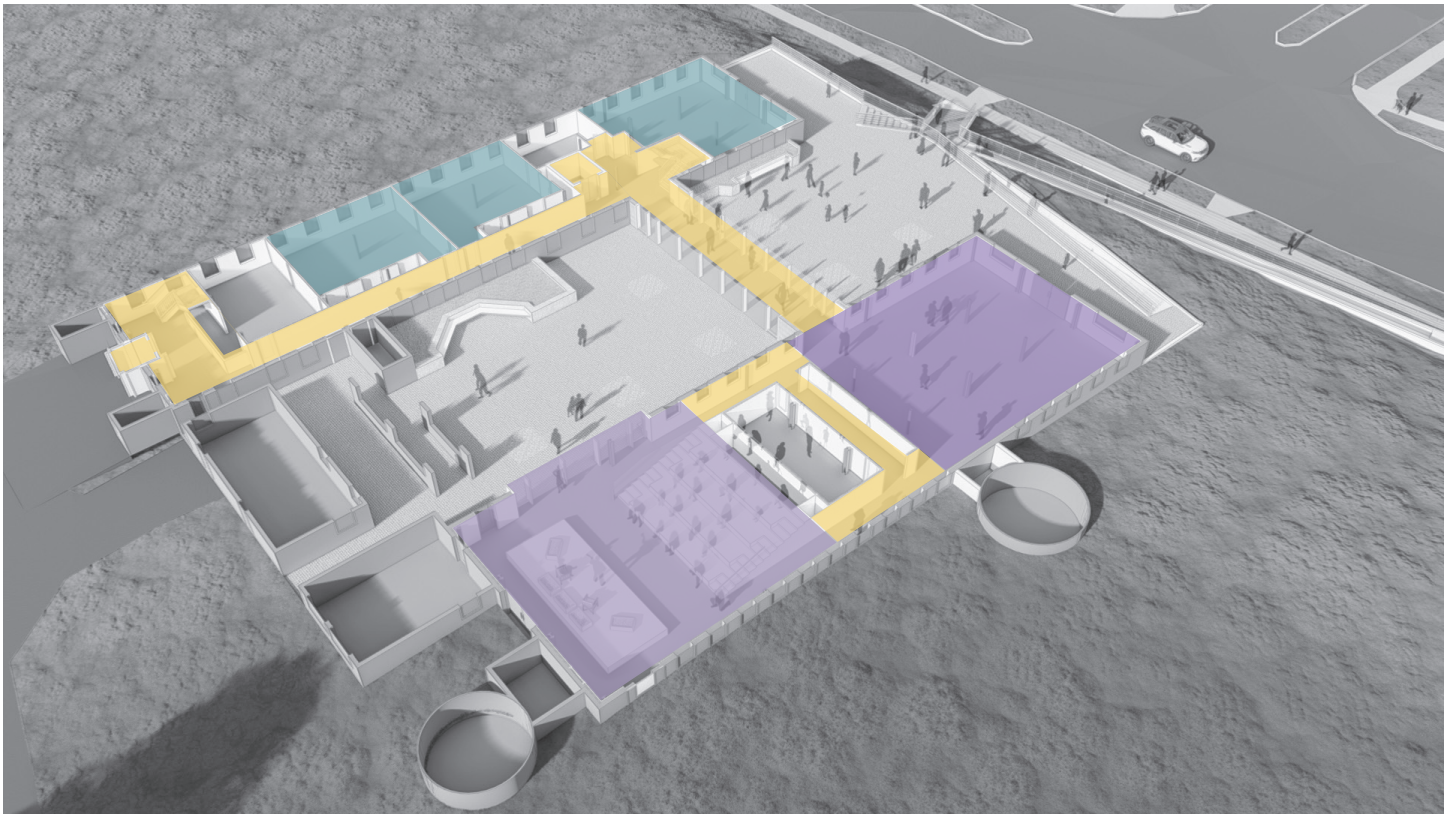
PROGRAM KEY

ART & TECHNOLOGY

MULTIPURPOSE ROOMS

CIRCULATION

LEVEL 1



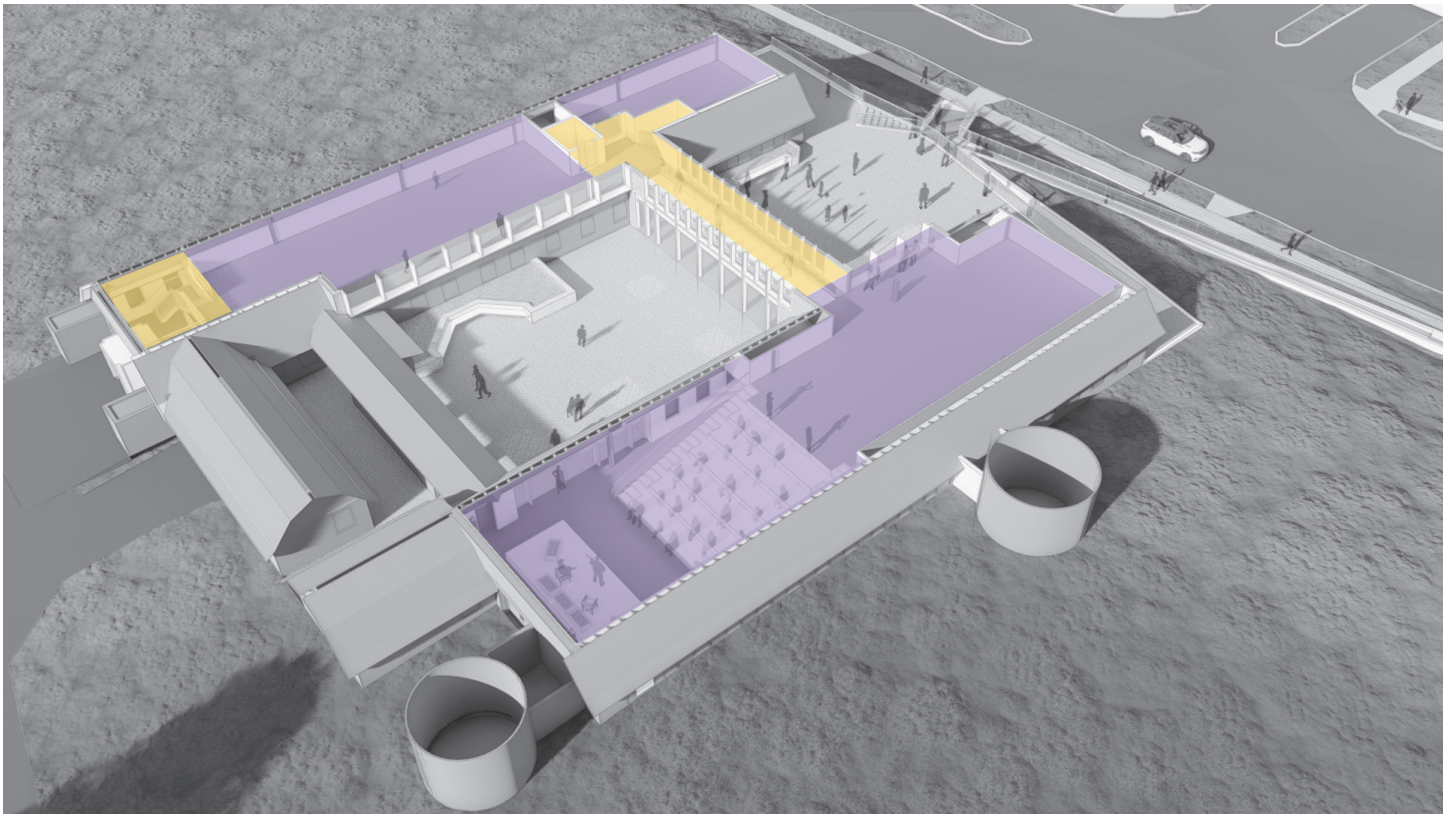
DAIRY BARN PROGRAM AND DESIGN DESCRIPTION

The master plan proposes using the Dairy Barns to house a variety of multipurpose spaces capable of accommodating a variety of events including performances, performing arts rehearsals, classes for visual arts and technology and small to medium gatherings for clubs or other organizations. The entire facility is meant to be multipurpose and adaptable.

Three rooms on the ground floor of the north wing are designed to function like classrooms. A multipurpose auditorium is proposed for the south wing on the west side. The east side of the south wing contains another multipurpose room which could accommodate a variety of uses including wellness programming.

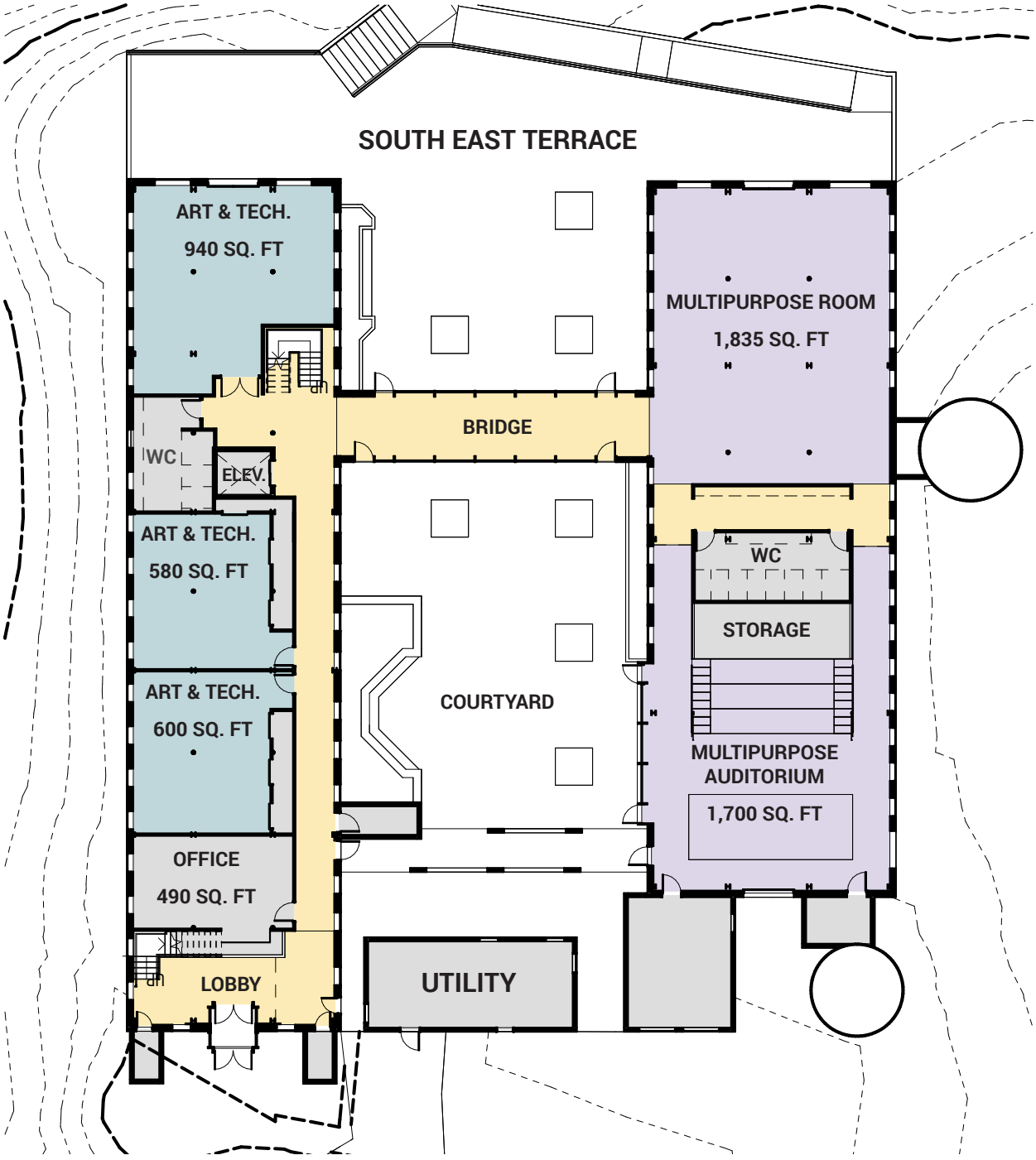
The second floor of the dairy barns contains three multipurpose spaces with storage located under the lower sections of the gambrel roofs. Two of the spaces are approximately 1,700 square feet while the third is approximately 700 square feet. No specific program has yet been determined for these spaces, but their width and height allow flexibility in programing.

LEVEL 2



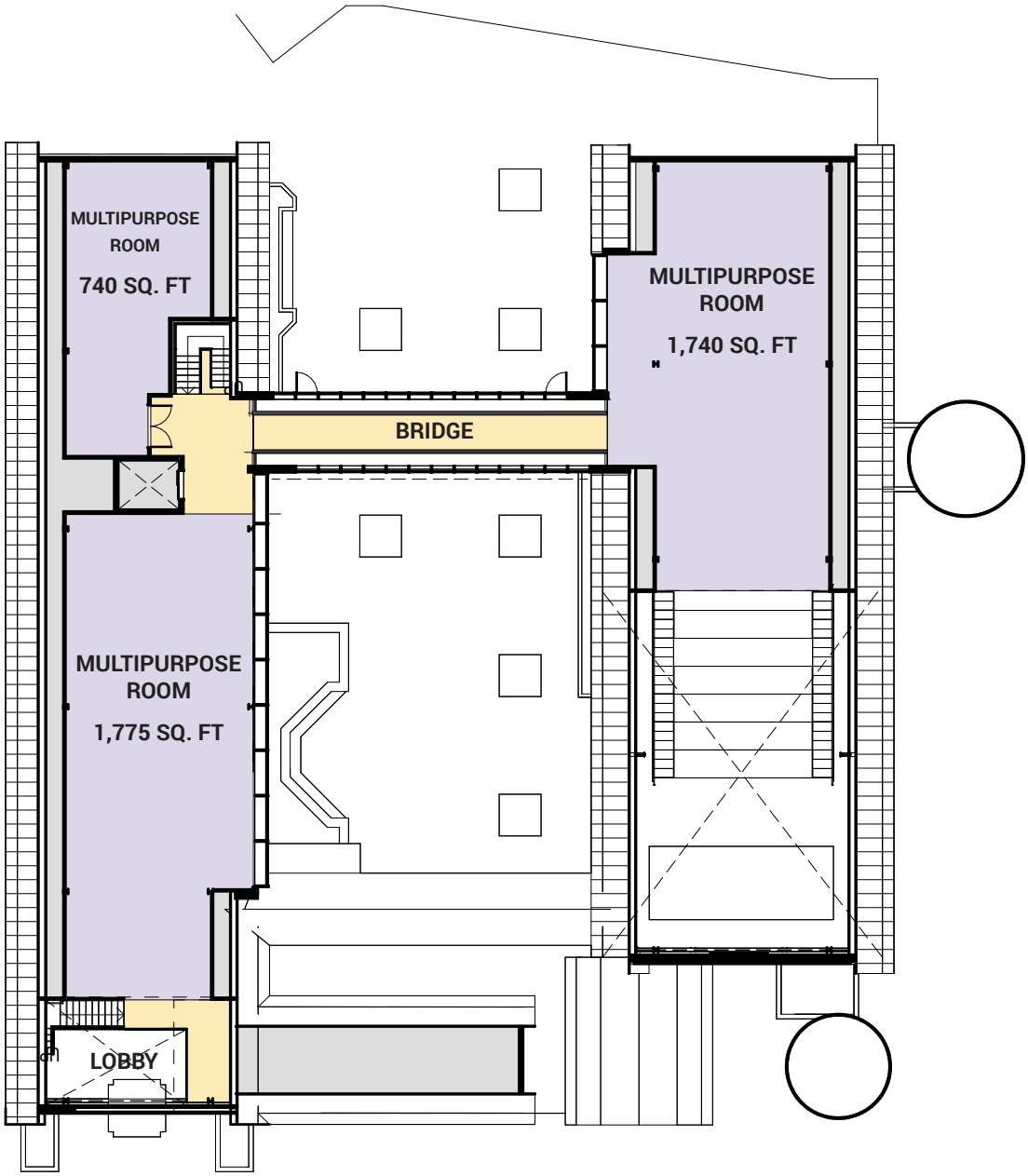
DAIRY BARN PLANS

LEVEL 1



LEVEL 2

Level 1	**10,890 sq ft**
Level 2	**6,080 sq ft**
Total Area	**16,970 sq ft**



DAIRY BARN PROGRAM AND DESIGN DESCRIPTION

ADAPTIVE RE-USE

The Dairy Barns hold immense significance. They are the icon of the farmstead and are widely recognized. Therefore, it is imperative that their appearance be maintained as much as possible, while being updated for their new use.

Interventions are required to modernize the buildings. Life safety, energy conservation, comfort, accessibility, and new uses require these interventions in the historic buildings to make them function in their new use.

In accordance with the proposed preservation strategy, larger interventions have been proposed towards the courtyard, in between the dairy barns, maintaining the historic appearance as much as possible towards the farmstead's central spine.

LOBBY

The entrance lobby is located at the west end of the northern Dairy Barn wing. To provide a welcoming entrance a double height space is proposed with an open stair to the second floor. A reception desk is proposed at the lobby with administrative offices located beside the lobby.

BRIDGE

The dairy barns consist of a complex of 3 individual buildings and two silos connected by covered walkways or passages. To connect the north and south Dairy Barn wings, a bridge is proposed to replace the eastern passageway. This connection would allow for a single elevator to service both Dairy Barn wings. Reducing the space needed for vertical circulation and

Multipurpose room view towards proposed bridge

Multipurpose auditorium view from removable stage

Multipurpose room view towards proposed dormers

providing a conditioned connection between the two primary buildings.

DORMERS

The second floors of the dairy barns are 20-24 feet wide which makes for a usable space on its own but after subtracting circulation, they become narrow. The second floors also have limited access to daylight as windows are only located at the ends of the barns. To add more space for circulation and to bring natural light into the center of the barns, dormers have been suggested facing the courtyard.

AUDITORIUM

The south wing houses an auditorium for small performances. To make this possible the second floor was removed in this space to allow for terraced seating that also functions as a staircase to the second floor.

SOUTHEAST TERRACE

The Dairy Barns sit high above the intersection of Ridgemont Avenue and Elmcroft Boulevard. Visitors approaching from this direction are forced to walk around half the farmstead to get to the dairy barns.

To build off the visual connection along Elmcroft Boulevard a stair and ramp are proposed to provide direct access to the dairy barns. A terrace at the top of the stair is included as part of this proposal. This builds off the existing courtyard and is backdropped by the new bridge providing an outdoor space which could accommodate a variety of gatherings or just daily enjoyment.

The interventions listed above will require further development and approval from the Historic District Commission. This master plan is a framework to be built upon and adjusted as the process continues.

Southeast Terrace looking at the bridge

Proposed view from Elmcroft Boulevard

Proposed view of the renovated courtyard

SILOS

Programming of the silos has not been addressed in this master plan. Their condition has been determined as unstable. An allowance for stabilization has been provided in the construction cost estimate. Options for their use were discussed during the Visioning Sessions and suggestions for use were shown in some of the initial concept plans but their condition and space limitations require further investigation prior to determining their use.

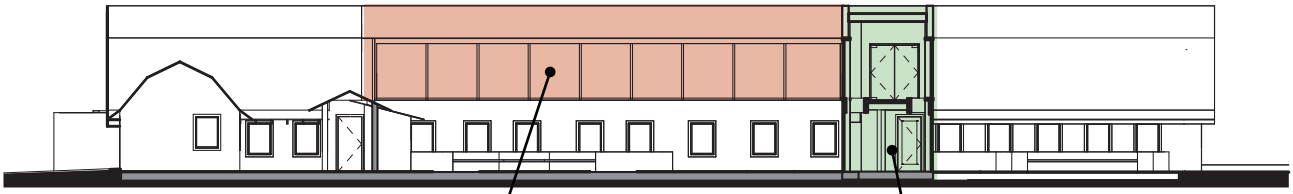
DAIRY BARN RENOVATION DESCRIPTION

The Dairy Barns are to maintain their historic exterior appearance as much as possible. They were recently stabilized and have a new metal roof. The second floor was rebuilt with a steel frame support structure holding up I-joists and plywood decking. The roof consists of wood framing supported by the new steel frame. The ground floor walls are rusticated concrete masonry units. The buildings are not insulated or conditioned.

Partial demolition on the interior and on select exterior walls and roofs facing the courtyard is proposed to enlarge spaces. This will enable the building to function as a multipurpose community center.

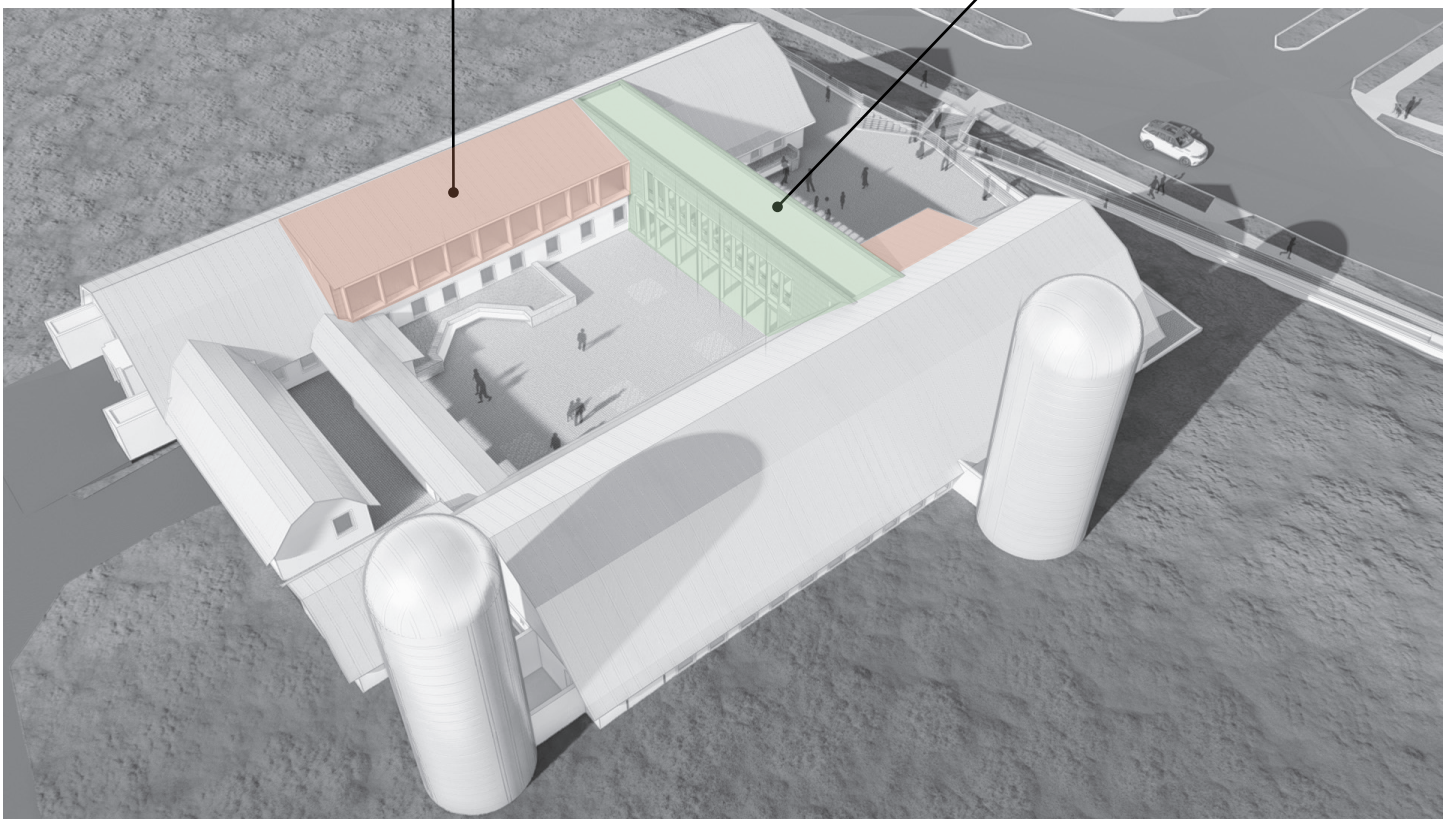
The areas highlighted in red, on the next page, are proposed for demolition and addition of dormer windows. The area highlighted in green represents the bridge between the dairy barns.

The Dairy Barns require envelope improvements, for energy conservation and egress. Plumbing, mechanical and electrical systems will all need to be installed or updated to meet the new use and design.



ROOF DORMER

BRIDGE



Proposed bridge & dormer diagram

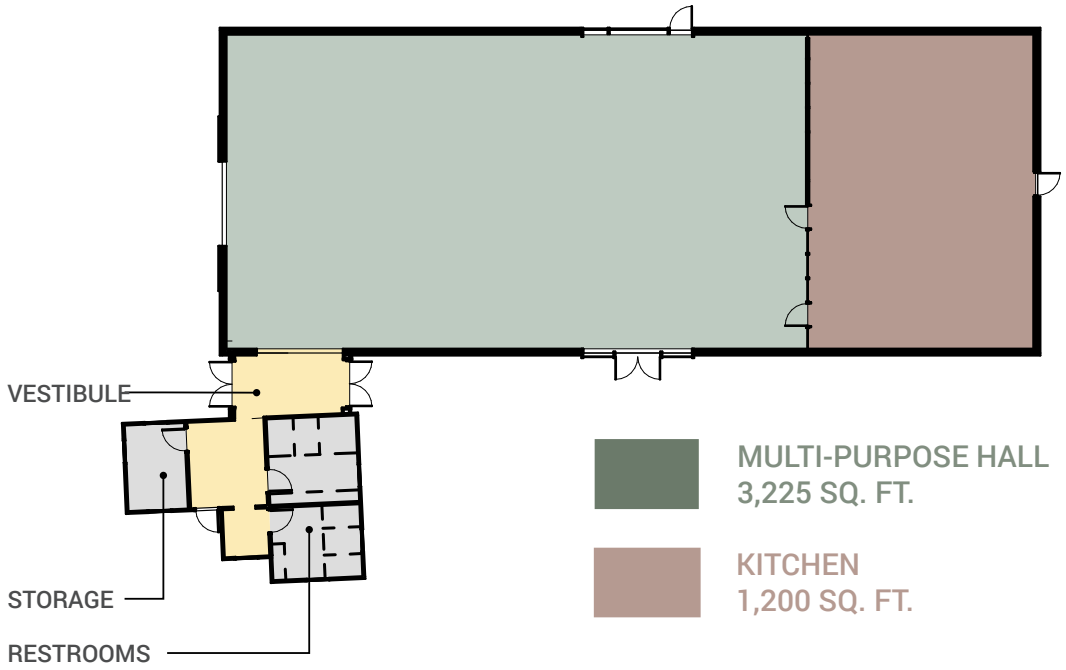
HORSE BARN

The horse barn is structurally unsound. It will need to be rebuilt from the ground up. The exterior elevations facing the historic corridor are proposed to be reconstructed true to its historic appearance. The reconstruction however provides the opportunity to create a free span structure on the interior enabling a multi-purpose hall that would not be possible with the existing interior structure.

An engineered wood glulam frame with CLT decking for the roof is recommended. A teaching/ community kitchen is proposed at the west end of the building, functioning on its own or in concert with the multipurpose hall to assist in catering events or providing simultaneous classes with food markets or festivals.

The tenant house adjacent to the horse barn is proposed to be connected to the horse barn with a glass addition. The addition will need to be reviewed and approved by the Historic District Commission. The tenant house is proposed to be used for bathrooms and storage for the multi-purpose hall.

Level 1 **5,540 sq ft**



Horse barn multipurpose hall

Horse barn and tenant house 1 proposed entrance addition

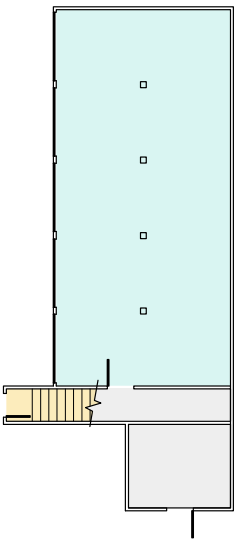
GARAGE AND TENANT HOUSE

The garage will be converted to a makerspace, focused on wood working with most equipment on the ground floor and the second for used for storage or duplicate uses also provided on the ground floor. HVAC will need to be installed, and electricity upgraded. Enveloped improvements will be required.

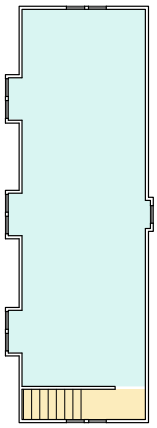
The house will be converted to a “clean” maker’s space with a focus on electronics, 3d printing and other maker activities that required a dust free/clean space. The building requires extensive renovation.

GARAGE
Makerspaces

Level 1	**1,065 sq ft**
Level 2	**690 sq ft**
Total Area	**1,755 sq ft**



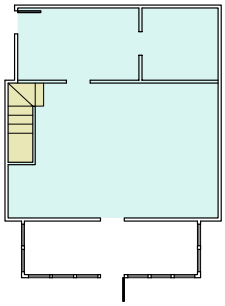
LEVEL 1

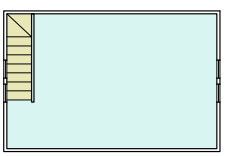


LEVEL 2

TENANT HOUSE 2
Makerspaces

Level 1	**690 sq ft**
Level 2	**375 sq ft**
Total Area	**1,065 sq ft**





FARMHOUSE

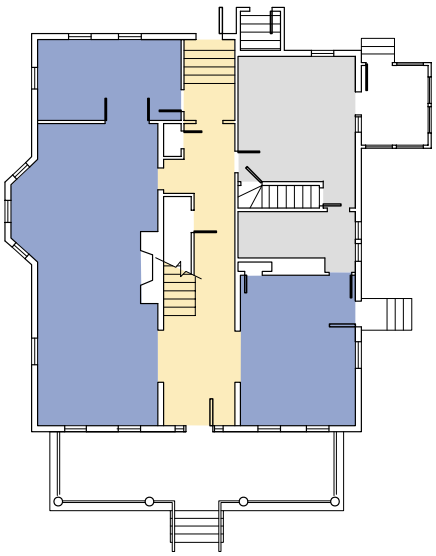
The farmhouse is proposed to be converted to a childcare facility on the first floor and used for administration of the farmstead on the second floor. The basement and attic could function as storage.

A playground will need to be provided near the farmhouse for this use. Improvements to the house will include accessibility items like a ramp to an entrance, lift or elevator to the second floor, wider doors, and an accessible bathroom. The kitchen will need to be upgraded. New interior finishes may be required.

The farmhouse is a series of smaller rooms surrounding a central corridor and stairwell. The next stage of design should consider removal of non-load bearing walls to open the floor plate to allow for more visibility for childcare staff. The efficiency of a childcare located in the farmhouse may be less efficient than other childcare facilities due to the space limitations of the farmhouse.

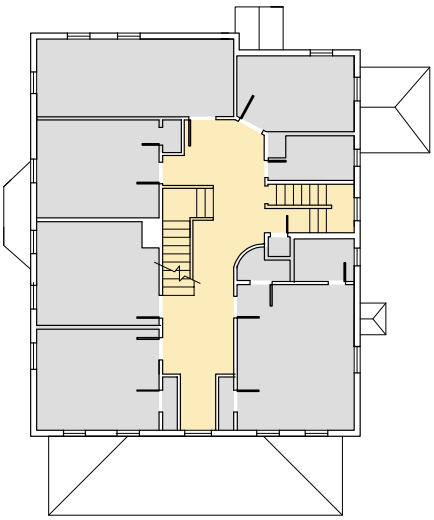
Basement	**1,420 sq ft**
First Floor	**1,695 sq ft**
Second Floor	**1,600 sq ft**
Attic	**1,000 sq ft**
Total Area	**5,715 sq ft**

CHILDCARE

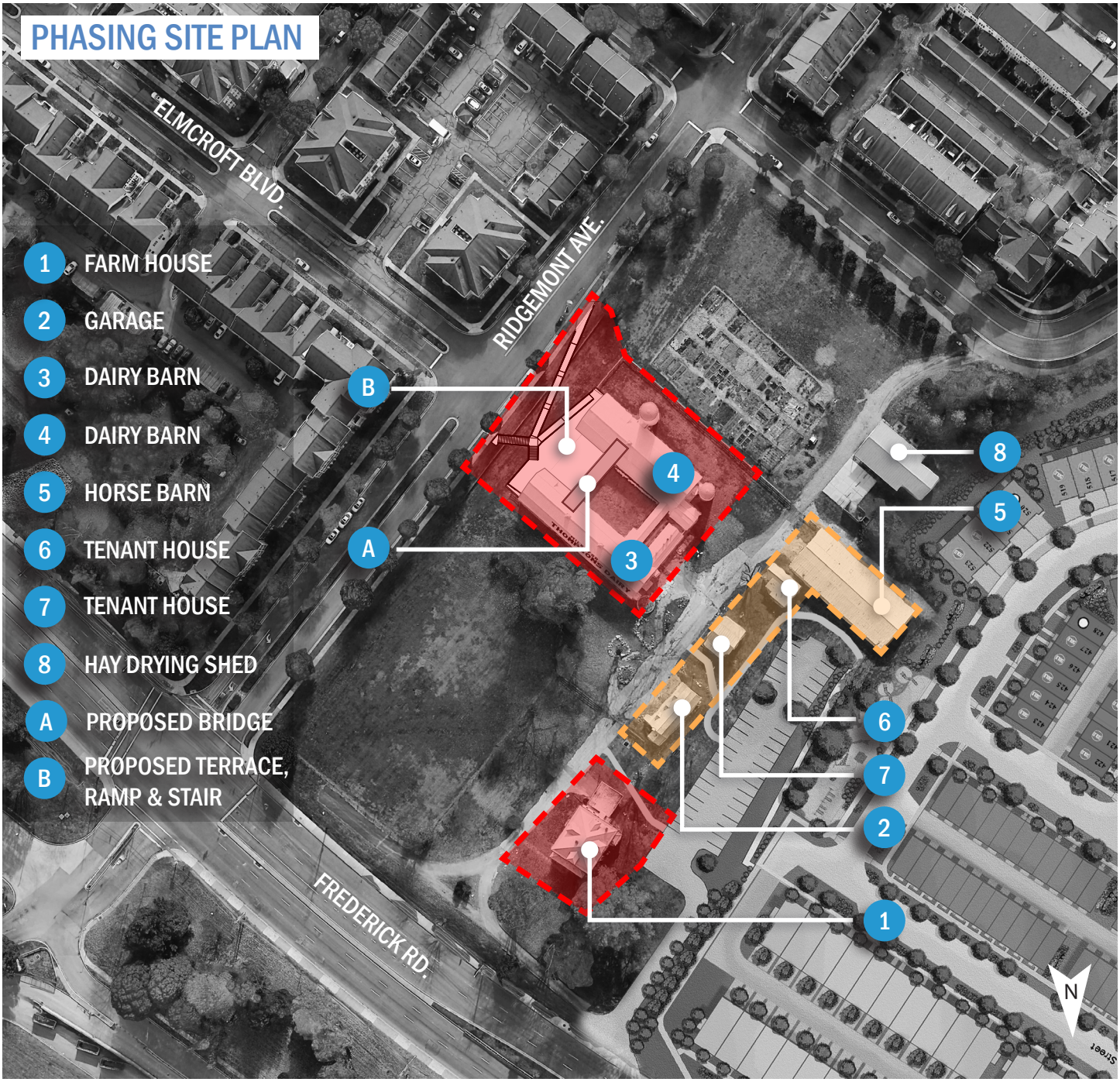


LEVEL 1

OFFICE



LEVEL 2



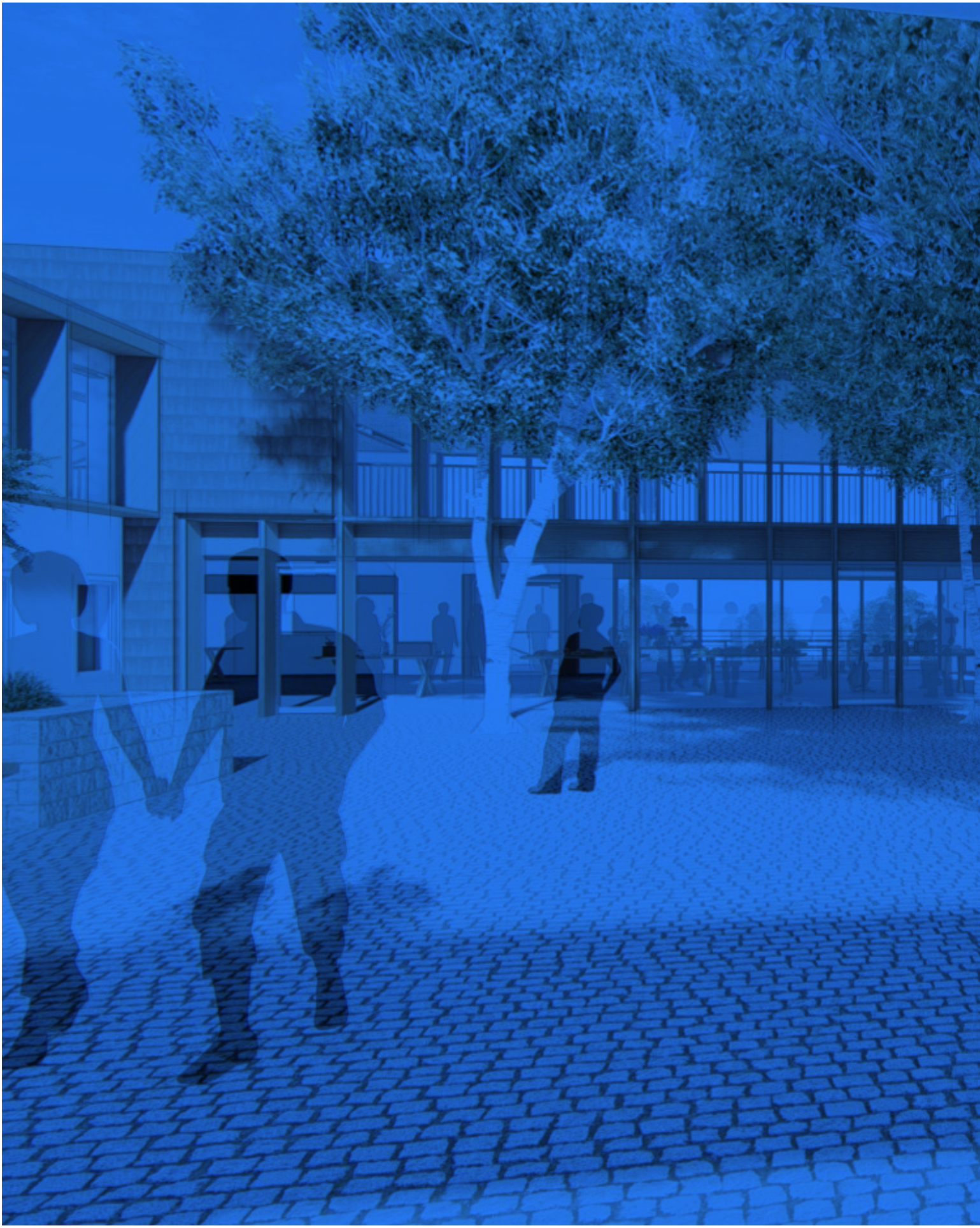
PHASE 1 (2027-2030)
FARMHOUSE (1), & DAIRY BARN (3&4)
PARKING - PENDING OPTION SELECTION

PHASE 2 (2031-2033)
GARAGE (2), TENANT HOUSE (7), and
HORSE BARN (5) AND TENANT HOUSE (6)

PHASING

The project will be split into two phases. Phase one consists of the Dairy Barns and Farmhouse. Multi-purpose and arts spaces would be provided in the Dairy Barns and Daycare and administrative spaces in the Farmhouse.

Phase two will consist of the remaining buildings. The Horse Barn, combined with Tenant House One, would be converted to a multipurpose hall and community teaching kitchen. The Garage and Tenant House Two would be fit out as makerspaces in phase two.



SECTION 6.0
ECONOMIC ANALYSIS

ECONOMIC ANALYSIS

COST RECOVERY ANALYSIS

The cost recovery analysis begins with a utilization schedule of classes and private events that considers the availability of parking. All programmed uses in the King Farm Farmstead buildings represent uses selected by the community during the winter and spring 2025 community input process, reflecting in-person, virtual and community survey outreach to the city at large. The analysis is broken down by phase. Phase 1 includes renovation of the Dairy Barns and the Main House. Phase 2 adds the Horse Barn, the Tenant Houses and the Garage. The Maximum Capacity scenario assumes a full program of uses with classes occurring at the same time as events.

Phase 1 is served by the existing 47-space parking lot along with 5 accessible spaces on the internal driveway and 25 new curb parking spaces along Ridgemont Avenue, King Farm's southeastern border for a total of 77 spaces. Phase 2 is served by the on-site parking lot, 7 accessible spaces and Ridgemont Avenue parking. To meet zoning requirements for 106 spaces, 27 existing parking spaces at Mattie Stepanek Park would be required to serve Phase 2 during events and other peak usage times. At maximum usage, events, classes and activities at King Farm Farmstead are assumed to use 121 spaces at Mattie Stepanek Park for a total of 200 spaces.

Table 1. Parking Distribution by Phase

	On-Site Parking				
Phase/Capacity	Existing Lot	Accessible on Driveway	Ridgemont Avenue Curb Parking	Mattie Stepanek Park	Total
Phase 1 (Dairy Barns and Farmhouse)	47	5	25	0	77
Phase 2 (Horse Barn, Tenant Houses and Garage)	47	7	25	27	106
Maximum Capacity	47	7	25	121	200

Source: Design Collective, Inc., 2025

Summarized in Table 2, classes were assumed to be scheduled so that there was not overlap in parking usage between the arriving and departing participants. This scheduling analysis assumed 0.7 vehicle per class participant with the maker space users occupying 13 spaces, the childcare staff using five spaces, with the events parking occupying one space for every 1.5 attendees.

Classes focused primarily on art, dance and music programs for children with a limited number of classes for teenagers 13 and older, which includes adults. The Tenant Houses and Garage were assumed to be used as maker spaces accommodating both monthly members and drop-in users. Half of the Garage and Tenant House 2 was reserved for equipment storage. The Main House was assumed to be used for daily childcare.

Table 2. Classes and Events by Room

	Weekdays				Weekends			
	Number of Classes	Max. Class Size	Events	Average Number of Guests	Number of Classes	Max. Class Size	Events	Average Number of Guests
Phase 1: Dairy Barns and Farmhouse								
Dairy Barns								
Art Studio 1	4	20			1	20		
Art Studio 2	3	15			2	15		
Multi-Purpose Room (1,760 sf)	2	35					144	25
Multi-Purpose Room (1,000 sf)	2	30			1	30		
Multi-Purpose Room - Wellness (2,146 sf)	2	40			1	40		
Multi-Purpose Room (1,800 sf)	3	30			1	20		
Multi-Purpose Auditorium			50	30			30	30
Dairy Barns Subtotal	**16**		**50**		**6**		**174**	
Horse Barn								
Multi-Purpose Hall	0				0			
Kitchen	0				0			
Horse Barn Subtotal	**0**		**0**		**0**		**0**	
Tenant Houses and Garage								
Tenant Houses 1 and 2 and Garage								
Tenant House, Garage Subtotal	**0**		**0**				**0**	
Total King Farm Farmstead	**16**		**50**		**6**		**174**	

Table 2. Classes and Events by Room (Continued)								
	Weekdays				Weekends			
	Number of Classes	Max. Class Size	Events	Average Number of Guests	Number of Classes	Max. Class Size	Events	Average Number of Guests
Phase 2: Dairy Barns, Farmhouse, Horse Barn, Tenant Houses and Garage								
Dairy Barns								
Art Studio 1	3	20	0		0	15		
Art Studio 2	3	15	0		0	15		
Multi-Purpose Room (1,760 sf)	1	35	0		0	30	144	25
Multi-Purpose Room (1,000 sf)	2	30	0		0	30		
Multi-Purpose Room - Wellness (2,146 sf)	2	40	0		0	10		
Multi-Purpose Room (1,800 sf)	2	30						
Multi-Purpose Auditorium			50	30			30	30
Dairy Barns Subtotal	**13**		**50**		**0**		**174**	
Horse Barn								
Multi-Purpose Hall			40	120			72	150
Kitchen	2	2						
Horse Barn Subtotal	**2**		**40**		**0**		**72**	
Tenant Houses and Garage								
Tenant Houses 1 and 2 and Garage		13				16		
Tenant House, Garage Subtotal								
Total King Farm Farmstead	**15**		**90**		**0**		**246**	

Table 2. Classes and Events by Room (Continued)								
	Weekdays				Weekends			
	Number of Classes	Maximum Class Size	Events	Average Number of Guests	Number of Classes	Maximum Class Size	Events	Average Number of Guests
Maximum Capacity: Dairy Barns, Farmhouse, Horse Barn, Tenant Houses and Garage at Maximum Parking Usage								
Dairy Barns								
Art Studio 1	3	20	0		0	15		
Art Studio 2	3	15	0		0	15		
Multi-Purpose Room (1,760 sf)	1	35	0		0	30	216	35
Multi-Purpose Room (1,000 sf)	2	30	0		0	30		
Multi-Purpose Room - Wellness (2,146 sf)	2	40	0		0	10		
Multi-Purpose Room (1,800 sf)	2	30						
Multi-Purpose Auditorium			50	30			30	30
Dairy Barns Subtotal	**13**		**50**		**0**		**246**	
Horse Barn								
Multi-Purpose Hall			40	120			72	150
Kitchen	2	2						
Horse Barn Subtotal	**2**		**40**		**0**		**72**	
Tenant Houses and Garage								
Tenant Houses 1 and 2 and Garage								
Tenant House, Garage Subtotal								
Total King Farm Farmstead	**15**		**90**		**0**		**318**	
Source: Partners for Economic Solutions, 2025.								

Class revenues were estimated based on fees by type of class as shown in the Recreation and Parks Activity Guide(s) calculated as a fee per class session. Listed in Table 3, these fees ranged from $13 to $25 per class. To allow for variations in class enrollments, total revenues were calculated at 65 percent of maximum class revenues. The classes were estimated to be offered 152 weekdays (generally 80 percent of weekdays from September through April and 10 to 30 percent of weekdays from May through August) and 72 weekend days (generally 75 percent of weekdays from September through April and 50 percent of weekdays from May through August) per year. The maker space use was assumed to occur year-round.

Event revenues in the Horse Barn's Multi-Purpose Hall and the Dairy Barns' Multi-Purpose Room were calculated on a per-event basis with rates ranging from $120 for two hours and $1,100 to $1,400 for six hours to $1,400 to $1,700 for eight hours and $1,600 to $2,000 for 10 hours depending on the day of the week. Event parking is expected to rely on spaces in Mattie Stepanek Park. Use of the Multi-Purpose Auditorium was expected to be dominated by non-profits and other cost-sensitive users. Rates were estimated at $300 per event (or rehearsal) on weekdays and $400 on weekends.

Table 3. Revenues per Class by Class Type						
Type of Class	Class Size	Length of Class	Class Days	Number of Students	Student Fee	Net Revenue per Class
Children Under 5						
Dance	16	8	8	16	$15	$240
Art	12	8	8	12	$13	$150
Music	11	8	8	11	$33	$363
School-Aged Children						
Dance	6	8	8	15	$20	$300
Fitness	15	8	8	15	$20	$300
Teen 13 / up + Adult						
Dance	8	8	8	15	$25	$375
Music	15	8	8	15	$25	$375
Fitness	15	8	8	15	$20	$300
Fitness	30	8	8	30	$20	$600
Maker Spaces - Monthly Members				4	$4	$16
Maker Spaces - Weekday Drop-Ins				3	$8	$24
Maker Spaces - Weekend Drop-Ins				8	$8	$64
Source: Partners for Economic Solutions, 2025.						

Table 4: City of Rockville Staffing				
Position	Number of Employees	Salary	Fringe Benefits	Total Salaries and Fringes
Management Staff	2	$88,546	$17,700	$212,500
Instructors	Hourly			
Janitorial Staff	2	$38,632	$7,726	$92,700
Seasonal Staff (FTE)	10	$19,760	$2,964	$227,200
Total	**14**			**$532,400**
Source: City of Rockville, 2025; Partners for Economic Solutions, 2025.				

The Phase 2 scenario staffing included two managers, two janitorial staff and 10 seasonal staff (Full-Time Equivalents) with salaries shown in Table 4. Grounds maintenance is part of the Parks and Facilities budget and is not included here for cost recovery purposes. Instructor costs were calculated on an hourly basis with most assumed to be paid at the Instructor III level at $32 per hour plus 25 percent for fringe benefits.

Operating costs were estimated for the entire complex and then allocated among buildings based on building size and activity types.

Table 5 summarizes the potential costs and revenues for the King Farm Farmstead by phase.

Table 5. King Farm Farmstead Operating Budget by Phase			
	Phase 1	Phase 2	Maximum Capacity
Operating Revenues			
Weekday Class Revenue	$448,400	$424,700	$424,700
Weekend Class Revenue	$158,200	$110,000	$110,000
Weekday Event Revenue (Friday Nights)	$24,000	$68,000	$68,000
Weekend Event Revenue	$29,300	$151,700	$169,000
Childcare	$381,600	$381,600	$381,600
Summer Day Camps	$99,000	$99,000	$99,000
Specialty Summer Camps	$160,000	$160,000	$160,000
Total Operating Revenues	**$1,300,500**	**$1,395,000**	**$1,412,300**
Operating Expenses			
Management Staff	$212,500	$212,500	$212,500
Instructors	$119,900	$105,400	$105,400
Seasonal Staff (FTE)	$90,900	$227,200	$250,000
Janitorial Staff	$92,700	$92,700	$92,700
Summer Day Camp Staff	$81,600	$81,600	$81,600
Total Staff	**$597,600**	**$719,400**	**$742,200**
Facility Operation			
Utilities	$105,000	$152,200	$152,200
Supplies	$18,000	$30,000	$30,000
Equipment Maintenance and Repair	$18,000	$30,000	$30,000
Audio Visual Supplies & Wireless	$41,000	$46,000	$46,000
Insurance	$31,000	$50,000	$50,000
Marketing	$20,000	$36,000	$36,000
Liquor License	$0	$7,000	$7,000
Fixtures & Equipment	$7,000	$15,000	$15,000
Childcare Staffing and Expenses	$415,700	$415,700	$415,700
Summer Day Camp Expenses	$18,700	$18,700	$18,700
Specialty Summer Camp Contracts	$96,000	$96,000	$96,000
Operating Expenses	**$1,368,000**	**$1,616,000**	**$1,638,800**
Overhead Recovery (23.7%)	$324,200	$383,000	$388,400
Total Operating Expenses	**$1,692,200**	**$1,999,000**	**$2,027,200**
Net Operating Income	**-$391,700**	**-$604,000**	**-$614,900**
Cost Recovery Ratio	**77%**	**70%**	**70%**

Notes: Does not include initial rehab / capital investment, or furniture, fixtures and equipment costs. Insurance represents additional liability due to increased usage.

Source: Partners for Economic Solutions, 2025.

Breaking out the revenues and costs for each building yields the cost recovery rates shown in Table 6. The cost recovery ratio for the Main House was based on comparable Rockville Recreation and Parks childcare facilities.

The operating budgets and cost recovery ratios for the Dairy Barns, Horse Barn and Tenant Houses appear in Tables 7-9.

Table 6. King Farm Farmstead Operating Budget by Building, Phase 2

Building	Phase 2
Dairy Barns	73%
Horse Barn	54%
Tenant Houses	20%
Farmhouse	74%
King Farm Farmstead	**70%**

Notes: Does not include initial rehab / capital investment, or furniture, fixtures and equipment costs. Insurance represents additional liability due to increased usage.

Source: Partners for Economic Solutions, 2025.

Table 7. Dairy Barns Phase 2 Operating Budget	
	Phase 2
Operating Revenues	
Weekday Class Revenue	$371,000
Weekend Class Revenue	$96,500
Weekday Event Revenue (Friday Nights)	$24,000
Weekend Event Revenue	$29,300
Childcare	$0
Summer Day Camps	$99,000
Specialty Summer Camps	$160,000
Total Operating Revenues	**$779,800**
Operating Expenses	
Management Staff	$212,500
Instructors	$93,300
Seasonal Staff (FTE)	$90,900
Janitorial & Grounds Staff	$46,400
Summer Day Camp Staff	$81,600
Total Staff	**$524,700**
Facility Operation	
Utilities	$87,000
Supplies	$18,000
Equipment Maintenance and Repair	$18,000
Audio Visual Supplies & Wireless	$41,000
Insurance	$31,000
Marketing	$20,000
Liquor License	$0
Replacement Reserves for Repairs, Furniture, Fixtures & Equipment	$7,000
Childcare Staffing and Expenses	$0
Summer Day Camp Expenses	$18,700
Specialty Summer Camp Contracts	$96,000
Operating Expenses	**$861,400**
Overhead Recovery (23.7%)	$204,200
Total Operating Expenses	**$1,065,600**
Net Operating Income	**-$285,800**
Cost Recovery Ratio	**73%**

Notes: Does not include initial rehab / capital investment, or furniture, fixtures and equipment costs. Insurance represents additional liability due to increased usage.

Source: Partners for Economic Solutions, 2025.

Table 8. Horse Barn Phase 2 Operating Budget	
	Phase 2
Operating Revenues	
Weekday Class Revenue	$0
Weekend Class Revenue	$0
Weekday Event Revenue (Friday Nights)	$44,000
Weekend Event Revenue	$122,400
Childcare	$0
Summer Day Camps	$0
Specialty Summer Camps	$0
Total Operating Revenues	**$166,400**
Operating Expenses	
Management Staff	$0
Instructors	$12,200
Seasonal Staff (FTE)	$90,900
Janitorial Staff	$46,400
Summer Day Camp Staff	$0
Total Staff	**$149,500**
Facility Operation	
Utilities	$35,570
Supplies	$8,000
Equipment Maintenance and Repair	$8,000
Audio Visual Supplies & Wireless	$5,000
Insurance	$12,000
Marketing	$16,000
Liquor License	$7,000
Replacement Reserves for Repairs, Furniture, Fixtures & Equipment	$6,000
Childcare Staffing and Expenses	$0
Summer Day Camp Expenses	$0
Specialty Summer Camp Contracts	$0
Operating Expenses	**$247,070**
Overhead Recovery (23.7%)	$58,600
Total Operating Expenses	**$305,670**
Net Operating Income	**-$139,270**
Cost Recovery Ratio	**54%**

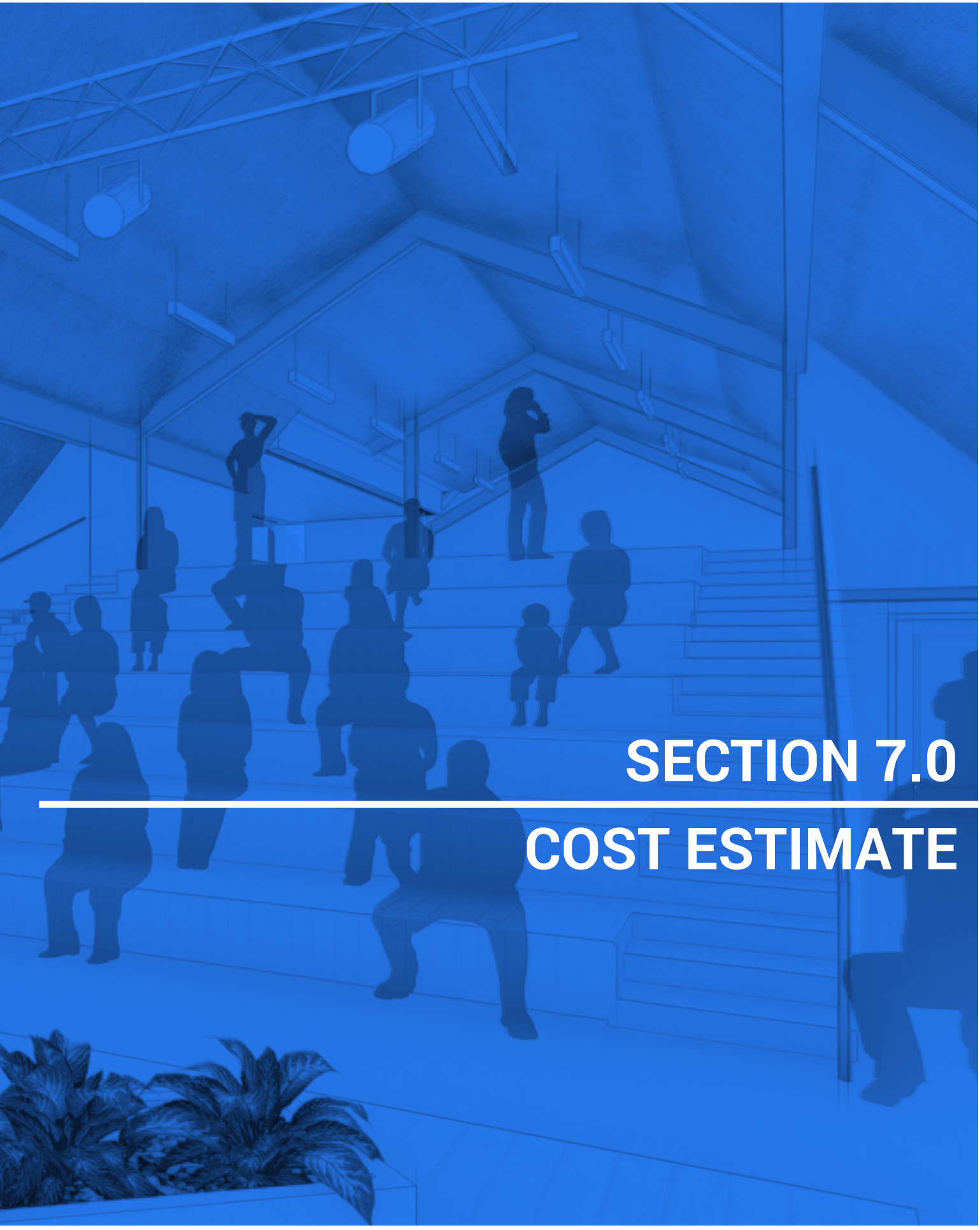
Notes: Does not include initial rehab / capital investment, or furniture, fixtures and equipment costs. Insurance represents additional liability due to increased usage.

Source: Partners for Economic Solutions, 2025.

Table 9. Tenant Houses and Garage Phase 2 Operating Budget	
	Phase 2
Operating Revenues	
Weekday Class Revenue	$10,000
Weekend Class Revenue	$13,500
Weekday Event Revenue (Friday Nights)	$0
Weekend Event Revenue	$0
Total Operating Revenues	**$23,500**
Operating Expenses	
Management Staff	$0
Instructors	$0
Seasonal Staff (FTE)	$68,200
Janitorial Staff	$0
Total Staff	**$68,200**
Facility Operation	
Utilities	$9,000
Supplies	$2,000
Equipment Maintenance and Repair	$5,000
Audio Visual Supplies & Wireless	$0
Insurance	$5,000
Marketing	$0
Liquor License	$0
Replacement Reserves for Repairs, Furniture, Fixtures & Equipment	$4,000
Operating Expenses	**$93,200**
Overhead Recovery (23.7%)	$22,100
Total Operating Expenses	**$115,300**
Net Operating Income	**-$91,800**
Cost Recovery Ratio	**20%**

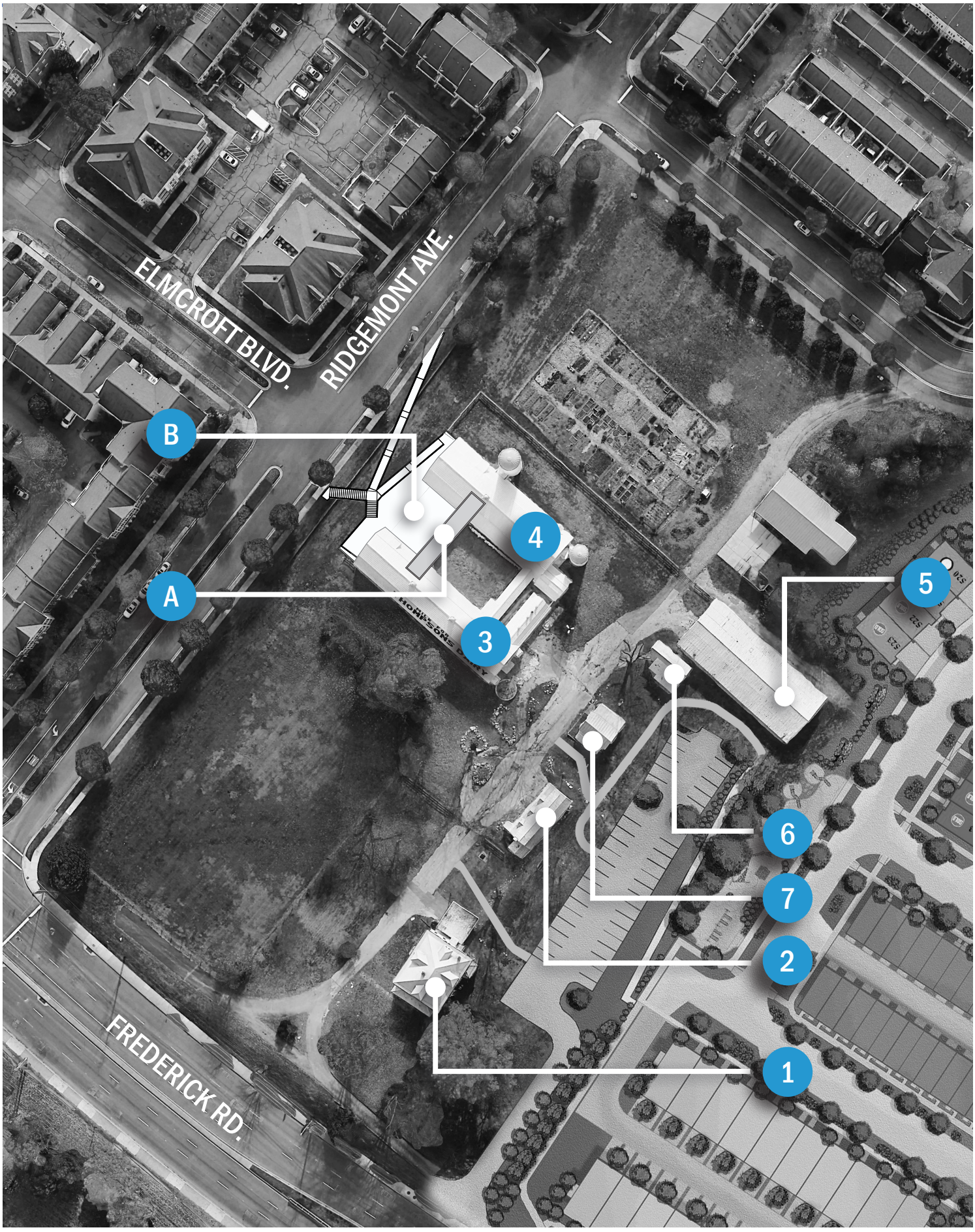
Notes: Does not include initial rehab / capital investment, or furniture, fixtures and equipment costs. Insurance represents additional liability due to increased usage.

Source: Partners for Economic Solutions, 2025.



SECTION 7.0

COST ESTIMATE


ELMCROFT BLVD.
RIDGEMONT AVE.
FREDERICK RD.
B
A
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6
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1

COST ESTIMATE

The cost estimate, summarized below, is based on the refined concept master plan. Refer to the full construction cost estimate in the appendix for more information. The construction cost estimate is based on today's costs. The summary below has been updated to include escalation, design fees, and the recommended owner's contingency.

Escalation has been applied assuming 5% annual escalation according to the project phasing described in Section 5. A design fee has been added of 8% but other soft costs such as FF&E are excluded. An owner's construction contingency of 20% has been added to the estimate. This estimate does not include testing or abatement of hazardous materials on site. Permitting or any other fees required for development are excluded from this estimate. Site work for building services such as water, sewer, telecommunications, and electricity were excluded. Water, sewer, and electric infrastructure CIP projects have been completed with utilities within 10 feet of buildings. Telecommunications is still to be determined. Work within the surrounding streets has been excluded from this estimate and will be addressed during the development review process.

Landscape design was excluded from this process however a placeholder estimate, which includes a limited number of site items has been included for reference. It should be considered a minimum cost and may not include all necessary improvements.

The condition of the silos is assumed to be unstable. Efforts to stabilize them will require a structural analysis. Strategies to stabilize them will then need to take into consideration what they may be used for in the future. At this time these variables are difficult to predict. A historic silo restoration is not a standard process and precedents are rare. An allowance for stabilization of the silos has been added to the estimate for budget purposes. It does not consider any future use and is only for structural stabilization. This figure will be refined as more detail becomes available in future stages of design.

		CONSTRUCTION	ESCALATION	DESIGN FEES	CONTINGENCY	TOTAL
PHASE 1: 2027 - 2030		(2025)	(5% ANNUALLY)	(8% CON. COST)	(20% RESERVED)	
3 4 A B		$ 7,348,290 Existing $ 486,535 Bridge $ 730,875 SE Terrace $ 500,000 Silos				
	DAIRY BARNS	$ 9,065,700	$ 1,953,715	$ 799,595	$ 2,203,883	**$ 14,022,893**
1	**FARMHOUSE**	$ 2,461,605 (Elevator included)	$ 530,491	$ 217,114	$ 598,419	**$ 3,807,629**
	SITEWORK	$ 957,970	$ 206,449	$ 76,638	$ 232,884	**$ 1,473,940**
					PHASE 1 TOTAL	**$ 19,304,462**
PHASE 2: 2031 -2033						
5 6		$ 2,220,830 Horse Barn $ 311,620 Tenant House 1				
7	**HORSE BARN +**	**$ 2,532,450**	$ 1,921,814	$ 271,498	$ 890,853	**$ 5,616,615**
	TENANT HOUSE 2	**$ 503,190**	$ 381,859	$ 53,946	$ 177,010	**$ 1,116,004**
2	**GARAGE**	**$ 602,485**	$ 457,211	$ 64,591	$ 211,939	**$ 1,336,226**
					PHASE 2 TOTAL	**$ 8,068,846**

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MAYOR AND COUNCIL Meeting Date: December 8, 2025
Agenda Item Type: REVIEW AND ACTION
Department: HOUSING AND COMMUNITY DEVELOPMENT
Responsible Staff: JANE LYONS-RAEDER

Subject

Approval and Submission to Montgomery County of the City of Rockville Funding Application for Program FY 2027/Year 52 Community Development Block Grant

Department

Housing and Community Development

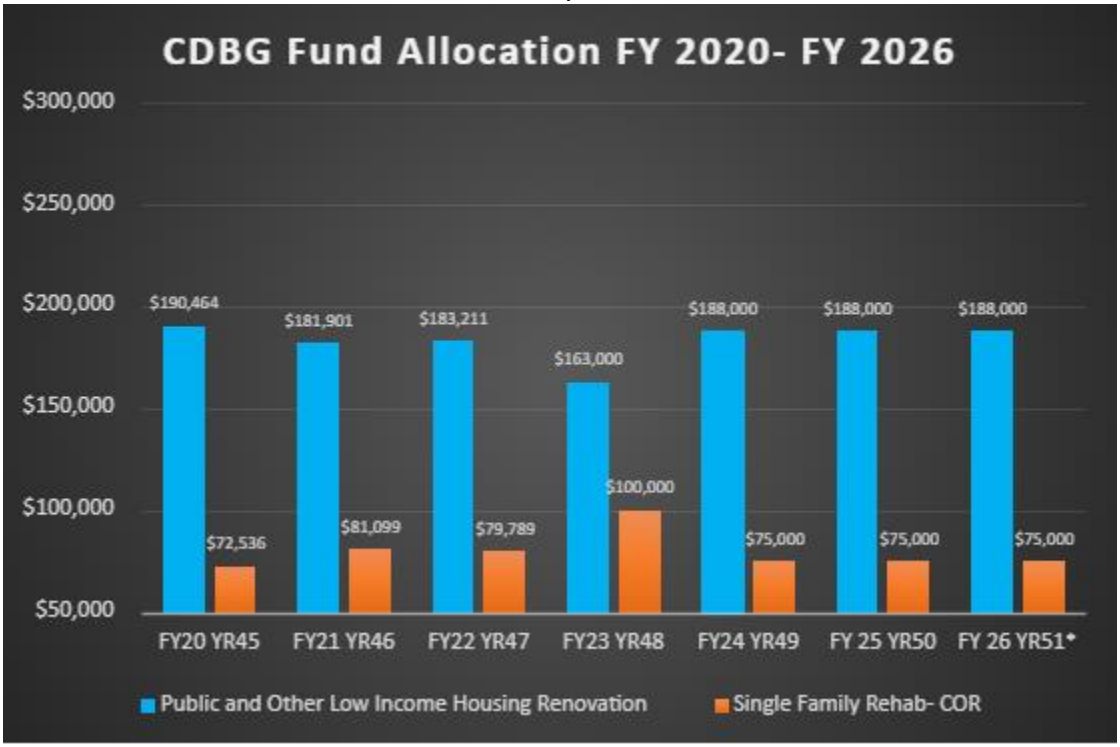
Recommendation

Staff recommends that Mayor and Council approve the proposed funding allocations and authorize the City Manager to transmit the grant application and enter into an agreement with Montgomery County for Program Year 52/FY 2027 of the Community Development Block Grant (CDBG) program.

Discussion

Each year, the City of Rockville receives federal Community Development Block Grant (CDBG) funds through a cooperative agreement with Montgomery County. CDBG funds must be expended for housing and community development capital projects that primarily benefit low- and moderate-income persons or neighborhoods. Rockville is projected to receive $263,000 in CDBG funding for federal Program Year 52/FY 2027. The city has focused much of its CDBG allocation on housing rehabilitation.

Chart 1. CDBG Allocation by Use - FY 2020 to FY 2026



Source: City of Rockville DHCD, 2025

City of Rockville CDBG Programs

Single-Family/Owner-Occupied Rehabilitation

The city's single-family/owner-occupied rehabilitation program has assisted many low-income homeowners in addressing repair issues and code deficiencies. Typical repairs include roof replacement, plumbing and electrical upgrades, furnace replacement, and kitchen and bathroom repairs. The program staff prioritizes code deficiencies to address the most serious problems. The per-unit home repair cost has averaged $25,000 and typically assists five to seven households annually.

For eligible homeowners whose household incomes are at 50% of the Area Median Income (AMI) or below, the program provides funding for repairs through a zero-interest and forgivable CDBG loan. The loan is forgiven over a five-year period by reducing the amount owed by 20% annually if the homeowner continues to own the home for five years following the completion of the repair work.

The city's CDBG program also permits households whose incomes are between 50% and 80% of the AMI to receive a low-interest loan (3%/annum) for their home repairs, without a provision for forgiving the loan. No households have taken advantage of this latter part of the program.

A lien is recorded against the property for the CDBG loan amount, which is released after five years. Table 1 shows the income limits of the program as of May 2024:

Table 1. CDBG Income Limits, May 2024

Family Size	Low (0-50% AMI)	Moderate (50-80% AMI)
1	$54,150	$68,500
2	$61,900	$78,250
3	$69,650	$88,050
4	$77,350	$97,800
5	$83,550	$105,650
6	$89,750	$113,450
7	$95,950	$121,300
8	$102,150	$129,100

Source: U.S. Department of Housing and Urban Development, May 2024

In addition to meeting income limits, homeowners must also meet the following criteria:

- The home must be owner-occupied and be the owner's sole and principal residence.
- The owner must not owe more on the home than the home's assessed value.
- The homeowner's assets cannot exceed $150,000 (excluding the value of the subject property).
- The applicant must be current on personal and property taxes and homeowner insurance.
- Properties with reverse mortgages, in which a homeowner can access cash in exchange for relinquishing equity in their home, are reviewed on a case-by-case basis.

Multifamily/Shared Home Rehabilitation

The multifamily/shared housing component of the program provides funding to local nonprofit housing providers. Over the past five years, the city has typically assisted two (2) to four (4) housing providers serving low-income households, including public housing residents or those in permanent and supportive housing programs. Projects undertaken by these grantees have ranged from major kitchen and bathroom repairs to installation of fire and carbon monoxide detectors.

Program Year 52/FY 2027 Application Process

The application period for external agencies began on July 4, 2025. Funding applications were originally due to the City of Rockville on October 1, 2025. The application period was extended from October 2 to October 16 to encourage additional applications.

The city received four (4) grant applications for projects totaling $336,669 in requested funding. On November 21, 2025, Rockville Housing Enterprises (RHE) formally withdrew the organization's application for FY27. The grant applications are summarized in the table below.

Table 2. Program Year 52/FY 2027 Grant Application Summary

Applicant	Scope
Community Reach of Montgomery County (CRM)	This funding will be used for needed renovations at Jefferson and Rockland Houses, permanent supportive residences for formerly homeless men and women operated by CRM. Rockland House requires a roof replacement due to age and wear. There is evidence that during storms, moisture is leaking through into the crawlspace under Rockland House's roof. Contractors have inspected the roof and confirmed the need for replacement. Additionally, the gutters are outdated and ineffective and can be easily replaced as part of the roof project. The exterior siding, which has not been updated since CRM acquired the property over a decade ago, is showing signs of wear and exposure. New siding is essential to protect the home from the elements and restore its appearance, contributing to a sense of pride and dignity for residents. It will also make the house more energy efficient and reduce utility expenses. Contractors confirmed that the gutters at Jefferson House are dented, which could lead to water drainage issues and long-term structural damage if left unaddressed.
Montgomery Housing Partnership (MHP)	MHP requests funding for exterior rehabilitation and site improvements at Bethany House, a 250-unit affordable apartment community for low- and moderate-income seniors. This project will complete critical exterior repairs and site upgrades that enhance safety, accessibility, and livability while advancing the city's goals for neighborhood revitalization. CDBG-funded activities will include replacement of aging exterior lighting, landscaping and drainage improvements, and installation of new signage, benches, and seating areas. These capital upgrades will address deferred maintenance and reduce long-term maintenance costs, activate the outdoor space by creating amenities, and create a more dignified, welcoming environment for residents and visitors to enjoy. MHP will leverage internal reserves and capital funds to complement CDBG resources and ensure timely completion within the grant term.
Cornerstone Montgomery Inc.	Cornerstone Montgomery seeks support to maintain a critical facility, the Taft Building, that houses essential behavioral health services for more than 3,000 individuals annually across Montgomery, Calvert, Charles, and St. Mary's counties. While Cornerstone Montgomery owns the Taft Building, it rents the first floor to Interfaith Works who

	uses the space to operate the Interfaith Works Women's Center at Taft Court (IWWC-Taft). Cornerstone Montgomery requests funding to remove and replace aging, damaged, and deteriorating flooring and windows in the Taft building to include the IWWC-Taft shelter.
Rockville Housing Enterprises (RHE) **[WITHDRAWN]**	RHE proposes to replace old roofs on seventeen multi-family public housing units. The uniqueness of this project is that a majority of RHE's public housing program participants and potential applicants meet the extremely low (30% AMI) and very low (50% AMI) income limits as deemed by HUD.

Funding Recommendation

As in previous years, a cross-departmental grant review committee was assembled to review the applications and to formulate a recommendation to the Mayor and Council for allocation of the CDBG funding. The committee was comprised of representatives from departments familiar with community needs and other city grants.

Applications were evaluated on the project's impact to low- and moderate-income households; the need for the activity; whether the proposed solution, scope of work, and budget were reasonable and achievable within the grant year; whether the applicant had secured other funding to leverage the amount requested; the applicant's organizational capacity and experience; and the overall quality of the application. Below is a table summarizing the score of each proposal, assessed by the committee.

Table 3. Applicant Average Score

Applicant	Avg. Score
Community Reach of Montgomery County	77
Montgomery Housing Partnership	77
Cornerstone Montgomery Inc.	52
Rockville Housing Enterprises	61

Of the four (4) applicants, the grant review committee unanimously voted to fund two (2) of the four (4) of the applicants. With both organizations that were not recommended for funding, the committee reached out for additional information, but found the responses did not mitigate concerns. Below is a table summarizing the recommended allocation.

Table 4. Program Year 52/ FY 2027 Funding Allocation Recommendation

Applicant	CDBG Funds Requested	Recommended Allocation
Community Reach of Montgomery County	$20,326	$20,326
Montgomery Housing Partnership	$75,000	$117,674
Cornerstone Montgomery Inc.	$170,856	$0

Rockville Housing Enterprises	$270,825 **[WITHDRAWN]**	$0
City of Rockville Single-Family Home Repair Program	N/A	$120,000
TOTAL	**$537,007**	**$258,000**

Community Reach of Montgomery County
The panel chose to fully fund Community Reach's CDBG request because, while past performance has been mixed, the proposed project is relatively simple in scope and funding level. Additionally, current staff have demonstrated progress in understanding and meeting CDBG requirements, indicating improved capacity to successfully implement the project.

Montgomery Housing Partnership
The panel chose to more than fully fund Montgomery Housing Partnership's CDBG request to support safety enhancements in the living conditions of Bethany House. The exterior improvement projects are essential to promoting safety and enhancing the environment for residents. MHP has a strong track record in managing construction projects and effectively leveraging multiple funding sources, giving the panel confidence in their capacity to complete the project successfully and within compliance requirements.

Cornerstone Montgomery Inc
The panel did not recommend funding Cornerstone Montgomery Inc. due to several concerns regarding project need and scope, as well as mitigating concerns from past performance. It remains unclear where the proposed floor replacements will occur—whether in office or residential areas—and the overall urgency of the window replacement component was not well demonstrated. Additionally, the organization lacked institutional memory of previously receiving CDBG funds. In a previous grant year, the organization's project was not completed within the required program year timeline and failed to adhere to certain program requirements. These factors raised concerns about project readiness, management capacity, and the likelihood of timely completion. Cornerstone is welcome to apply for funds again in FY2028/Grant Year 53.

Rockville Housing Enterprises
While RHE is a long-standing partner with the city, the panel did not recommend funding the organization's request this year due to ongoing concerns with project management, performance, compliance, and documentation. Records related to previous roof replacement projects funded with CDBG dollars were unclear and lacked sufficient detail, reflecting limited knowledge of program requirements. Additionally, discrepancies were noted between the number of roofs reported as completed and the number budgeted for, raising concerns about project accuracy and accountability.

On November 21, 2025, RHE withdrew its application for FY27 funds, noting that due to staff turnover and leadership changes, the best use of their resources is to focus on core programs

and organizational capacity building. However, RHE are still slated to receive $94,454 in CDBG FY2026/Grant Year 51, and staff are currently working with them on their project for FY2025/Grant Year 50. RHE is welcome to apply for funds again in FY2028/Grant Year 53.

Single-Family/Owner-Occupied Rehabilitation Program
The panel recommended allocating $120,000 to the city's single-family/owner-occupied rehabilitation program. DHCD staff will continue to work with the Code Enforcement and Community Engagement team to identify homeowners in need to home repairs and/or to address any code violations.

Impact Statements

Equity
Staff anticipates the action would positively impact racial equity and social justice in the city due to the program's targeting of low- and moderate-income households. In the City of Rockville, households with such incomes tend to disproportionately be Black or African American and Hispanic or Latino. With the review committee's recommendation for multi-family projects, funds would primarily benefit formerly homeless residents at Jefferson and Rockland Houses and low-income seniors at Bethany House.

Environment
The repairs provided by the CDBG program are intended to improve the health and safety of residents, including environmental health. When completing repairs, as much as possible, projects are completed in ways that enhance energy efficiency and environmental sustainability.

Economy
The action item is expected to have a minimally positive impact on local health and wellbeing for two reasons. First, the single-family rehabilitation program will relieve economic pressure from low-income homeowners who struggle to afford to make necessary repairs to their homes. Instead, they will be able to use funds for other needs. Second, the program supports local contractors who complete the single- and multi-family projects.

Mayor and Council History
A public hearing on community needs and priorities took place at the September 8, 2025 Mayor and Council meeting. No comments were received from the public.

This agenda item was previously on the November 17, 2025 consent agenda, but was pulled and moved to December 8, 2025 as an action item.

Public Notification and Engagement

The funding application and public hearing announcement were emailed to civic associations, homeowners associations, and community organizations on June 30, 2025. Public notice announcing the public hearings was published in the Washington Post on August 28, 2025 and September 4, 2025. As requested by the Mayor and Council in previous years, the city hosted a Housing Providers Forums on August 21, 2025 and September 16, 2025, where housing providers were notified of the upcoming funding cycle and provided with information on application submission process and requirements.

Fiscal Impact

The CDBG funds that are proposed to be allocated will come from the federal government via a pass-through agreement with Montgomery County.

The city accounts for all CDBG activity in a separate CDBG fund. The FY 2026 adopted budget appropriated $263,000 and the city anticipates the same amount for Year 52/FY 2027. The city must spend funds on the specified programs and request reimbursement from the county on presentation of receipts. All CDBG spending is subject to the provisions of OMB A-133 (to be superseded by guidance in the omni-circular) or single audit, as required by the federal government.

Next Steps

The Program Year 52/FY 2027 grant application is due to Montgomery County in December.

Attachments

Community Reach of Montgomery CountyPacket, Montgomery Housing Partnership, Inc. Packet, Cornerstone Montgomery, Inc.Packet, Rockville Housing EnterprisesPacket

Community Reach of Montgomery County

FY27 Community Development Block Grant (CDBG)

Community Reach of Montgomery County

Ms. Andrea Kempner Wink
1010 Grandin Avenue, Suite A1
Rockville, MD 20851

info@cmrocks.org
O: 301-637-0730

Ms. Andrea Kempner Wink

1010 Grandin Avenue #A1
Rockville, MD 20851

andreakwink@cmrocks.org
O: 301-637-0172

Application Form

Applicant Information and Request Amount

Project Name*
Legal name of Applicant/Organization

Community Reach of Montgomery County

Federal I.D. Number*
52-0910334

Type of Organization*
Nonprofit

501(c)(3) Status
If you are a nonprofit organization, upload an Internal Revenue Service letter granting non-profit status 501(c)(3).

IRS Determination Letter .pdf

Address*
1010 Grandin Ave, #A1, Rockville, MD 20851

Contact Person*
Provide a name and job title.

Andrea Kempner-Wink, Managing Director

Contact Person - Telephone Number*
301-637-0172

Contact Person - E-mail*
andreakwink@cmrocks.org

Project Title*
Improvements to Reach's two permanent supportive homes in Rockville

Amount of CDBG Funds Requested*
$20,326.00

Amount of Total Project Budget*
$20,326.00

Would you like to collaborate on this application with another person? If yes, follow the instructions below.

Once you have started a request you will see the Collaborate button at the top of the page. This can be used to invite other people to work on this request.

- From the Collaborate pop up, enter the email address of the person you would like to invite,
- Set the Permission you would like the collaborator to have, either View, Edit, or Submit.
- And lastly, include a message and select Invite.

An email will be sent to the collaborator containing your message, their username, and a link to the logon page.

After logging into the system, the collaborator will see this request under the Collaboration Requests tab of their Applicant Dashboard. Here they can select the edit form link and start collaborating on the document. The Collaborator will have access to all forms within the request that have been assigned to the original applicant.

Project Description and Need

Project Description*
Provide a *brief* summary of your project. Describe: WHAT you will do, WHO you will serve, WHY the project is needed, WHERE you will do it, and WHAT activities you will fund with CDBG. *(NOTE: More information is requested later; this space is for a brief overview of your project.)*

This funding will be used for needed renovations at Jefferson and Rockland Houses, permanent supportive residences for formerly homeless men and women operated by Community Reach of Montgomery County. The renovations will improve the safety and functionality of the properties and provide adequate living environments for the 11 men and women who inhabit them. CDBG funding will support the costs associated with completing the renovations (contractors and related expenses). Renovation work will take place at the two sites, Rockland House located at 2004 Rockland Avenue, 20851, and Jefferson House located at 111 West Jefferson Street, 20850.

Project Need*

What unmet need(s) will your project address? How did you determine that this need exists? You must provide data that quantifies the need to receive full points for Need in the scoring criteria (e.g., number of units, physical needs assessment data, photographs).

Reach's Housing Program addresses the need for permanent supportive housing in Montgomery County, specifically for individuals transitioning out of homelessness who require individualized, sustained support.

Reach operates two supportive homes that serve up to 11 formerly homeless residents, Jefferson House for men and Rockland House for women, where staff members work together to provide stable, permanent housing and individualized case management to help residents gain the skills, confidence, and stability they need to manage the challenges in their lives and regain self-sufficiency.

To ensure the houses can continue to operate effectively, ongoing maintenance is required to provide a suitable living environment. Need for repairs and maintenance are determined based on expert opinion, staff evaluation of property, and the desire to give residents a well-maintained and adequate living environment.

Rockland House - Roof and gutter replacement, new siding: Rockland House requires a roof replacement due to age and wear. There is evidence that during storms, moisture is leaking through into the crawlspace under Rockland House's roof. Contractors have inspected the roof and confirmed the need for replacement. Additionally, the gutters are outdated and ineffective and can be easily replaced as part of the roof project. The exterior siding, which has not been updated since Reach acquired the property over a decade ago, is showing signs of wear and exposure. New siding is essential to protect the home from the elements and restore its appearance, contributing to a sense of pride and dignity for residents. It will also make the house more energy efficient and reduce utility expenses.

Jefferson House - Gutter replacement: Contractors confirmed that the gutters at Jefferson House are dented, which could lead to water drainage issues and long-term structural damage if left unaddressed. In particular one gutter at the front has clear damage.

Project Need Attachments

Please compile attachments (including photos) into one pdf, doc or docx file. *If the attachments exceed the maximum file size, send them to Chuck Dunn, cdunn@rockvillemd.gov.*

Rockland House & Jefferson Gutters Photo Evidence.pdf

Location of Project*

Where will this project be physically located? For projects, provide the address of the project; for programs, state the location from which the program will be operated. *Project activities should take place within the corporate limits of the City of Rockville.*

Rockland House is located at 2004 Rockland Avenue, 20851 in the Twinbrook neighborhood of Rockville. The house was built in 1952 and purchased by Community Reach of Montgomery County in 2013.

Jefferson House is located at 111 West Jefferson Street, Rockville, MD, 20850, within the designated historic district of West Montgomery Avenue. It has been leased by Reach from Rockville United Methodist Church since 1993.

Location of Project - Historic District*

Will this project be located in one of Rockville's Historic Districts? View the map of Rockville Historic Districts.

Yes

Service Area*

Is there a primary service area(s) for this project?

Yes

Service Area - Description

If you selected “yes” to the previous question, briefly describe the boundaries of the service area (e.g. by streets, neighborhoods, or census tracts). Answering “no” signifies that services are provided citywide without regard to location.

Rockland House is located at 2004 Rockland Avenue, Rockville, MD 20851

Jefferson House is located at 111 West Jefferson Street, Rockville, MD, 20850

Service Area - Outside City of Rockville

If some people served come from outside the City of Rockville, please provide a breakdown of Rockville residents versus non-Rockville residents.

Number Served*

Estimate the total number of people or households who will directly benefit from this project.

11

Number LMI Served*

Estimate the total number of low- and moderate-income people or households who will directly benefit from this project. *See pg. 4 of the **APPLICATION INSTRUCTIONS** for the definition of “low- and moderate-income (“LMI”).”*

11

Percentage LMI Served*

What percentage of the total people or households served are expected to be of low- and moderate-income. *See pg. 4 of the **APPLICATION INSTRUCTIONS** for the definition of “low- and moderate-income (“LMI”).”*

100

Identify the source of your estimates*

Income requirements for residents of Jefferson and Rockland House are set by Rockville Housing Enterprises.

Recruitment/Referral Process*

Describe how beneficiaries will be recruited or referred to the project or program.

Housing Program residents primarily come from referrals from transitional and emergency shelters through the Montgomery County Coordinated Entry System (CES). Our Housing Directors interview the referred individuals to determine their eligibility for placement.

Eligibility Process*

Describe how you will determine eligibility for the program and document that at least 70 percent of the housing units are occupied by LMI households or that 70 percent of the program's beneficiaries have low- or moderate-incomes, as defined by HUD.

Housing Program residents must be considered "low income" according Rockville Housing Enterprises' Income Scale in order to receive the voucher to become or remain a resident at Rockland House or Jefferson House. Residents provide proof of income to Community Reach of Montgomery County's Housing Program Staff and to Rockville Housing Enterprises on a continuing basis.

Project Goals*

List the specific goals that you hope to achieve through this project; goals should be quantitative and measurable in nature. *The activity should have clearly stated goals and evaluation criteria that are specific, measurable, and realistic.*

The goal of Community Reach of Montgomery County's Housing Program is to provide safe, supportive, functioning homes that support our residents' journey toward self-sufficiency. The completion of the proposed maintenance and repair projects will ensure that residents live in safe and healthy surroundings. A substandard environment negatively impacts residents' concept of self-worth and inhibits the development of self-sufficiency.

Accordingly, measurable impacts for this program include the outcomes for residents of Rockland House and Jefferson House.

JEFFERSON HOUSE & ROCKLAND PROGRAM YEARLY OUTCOMES:

Initial: Up to 11 residents will enroll (or continue) in Jefferson and Rockland House Program housing, establish (or continue) an individual service plan agreement with the program staff, and attend required house meetings.

Intermediate: Up to 11 residents will show progress in following their individual service plan agreements through regularly meeting established goals, taking part in trainings/workshops, and paying rent on time.

Long-term: Up to 11 residents will remain in housing either at Jefferson/Rockland House or move to independent living, and not return to the Montgomery County shelter system.

Action Plan

Quarterly Schedule: Any CDBG funds awarded should be fully expended within a 12-month period. *The activity should have a clear plan of action that is consistent with the budget and that demonstrates that the applicant has the capacity to implement the proposed plan.*

Describe the implementation plan for the project by listing a quarterly schedule of key activities / milestones and the corresponding draw down of CDBG funds in the following questions:

First Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

Obtain updated bids from contractors, determine the best bid, and complete all paperwork with the contractor and City

Second Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

Begin roofing and gutter projects as a priority

Third Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

Complete roofing and gutter projects. Begin and complete siding replacement at Rockland House.

Fourth Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

N/A

First Quarter - $ Draw Down*

Estimate the draw down of CDBG funds in the quarter.

$0.00

Second Quarter - $ Draw Down*
Estimate the draw down of CDBG funds in the quarter.

$13,916.37

Third Quarter - $ Draw Down*
Estimate the draw down of CDBG funds in the quarter.

$6,410.37

Fourth Quarter - $ Draw Down*
Estimate the draw down of CDBG funds in the quarter.

$0.00

Budget and Leveraging

Project Budget Form*
1. Download the Budget Form (doc file).
2. Fill out the budget form and save it. Instructions are provided on page 1 of the packet.
3. Upload the completed form using the "upload a file" button below.

CDBG Application Budget_20220519083235542 8.doc

Expenditure Details*
Describe in detail types of expenditures CDBG will fund (i.e., labor, materials, etc.).

Funding will support the labor and all materials for the completion of the proposed project, including permits, roofing and gutter work, and siding replacement

Roof and Gutter Replacement (Rockland House) -
Contractor labor and materials
Disposal of old roofing materials
Permit fees (if needed)

Siding Replacement (Rockland House)
Materials
Labor costs

Gutter Replacement (Jefferson House)
Gutter materials (aluminum, vinyl, etc.)
Labor for removal and installation

Cost Estimate Details*

How did you determine the cost estimates included in the CDBG Project Budget Form?

The housing program staff received bids from contractors. As the requested funding will become available over a year after the estimates have been provided, it is likely that construction costs will increase by that time. We are middle range bids for projects to give some flexibility when the final bids are obtained in over a year.

Bids included in cost estimate:
Rockland House:
HH Roofing and Siding - $15,124
SkyShield Gutters - $2,210

Jefferson House:
Good Good Gutters - $2,992

Cost Estimate Details - Attachments

Upload any supporting documents for your cost estimates (including bids, research or past documentation for previous projects).

File too large.pdf

Davis-Bacon Labor Standards and Wages*

If you propose construction, rehabilitation, or acquisition activities, are the construction estimates incorporated into the project budget inclusive Davis-Bacon Labor Standards and Wages?

Not Applicable

Site Ownership*

If you propose construction, rehabilitation, or acquisition activities, does your organization own the property or site?

No

Site Ownership or Lease Agreement

Evidence of site control.

- If yes to the previous question, provide evidence of ownership (deed and property tax records).
- If no to the previous question, provide a copy of the lease agreement and letter from the owner confirming the proposed activities are permitted and acceptable.

Letter from RUMC.pdf

Land Use/Zoning*

If you propose construction, rehabilitation, or acquisition activities, does the project require a land use and/or zoning change?

No

Land Use/Zoning - Details

If yes to the previous question, explain below.

Partial Funding*

In the past, the City has often provided partial funding for multiple projects instead of full funding for a few projects so that it could address numerous requests. Please describe, in detail, the specific changes that you will make to your project or scope of services if your project is partially funded.

If awarded partial funding for the proposed repair and maintenance projects, Community Reach of Montgomery County will gratefully utilize the received funds to address as much of the needed work as possible.

Prior CDBG Funding*

List any prior CDBG grants received for this project and include the following information:

- Source (Montgomery County or the City of Rockville)
- Year of the grant
- Grant amount
- Description of the activities funded

If your project has not received any CDBG funding, write in N/A.

City of Rockville: CDBG FY25: $22,185 - Jefferson House interior painting, refinishing floors CDBG FY24: $65,000 To be used to install ductless air conditioning units at Jefferson House; CDBG FY22: $11,800, shutters, CDBG FY 21: $51,551 (funds not expended), CDBG FY18: $18,131, window sashes, install storm windows, CDBG FY17: $16,900, Remodel two bathrooms, CDBG FY16: $19,400, Replace roof, exterior painting, basement waterproofing

Leveraging*

Have you applied for funding from other sources for this project?

No

Leveraging Details*

- If yes to the previous question, to what entities have you applied? Indicate whether the funding is approved, pending or denied.
- If no to the previous question, why haven't you applied for other funding?

We have not applied for other funding for these maintenance and renovation needs. We generally use grant opportunities for more immediate day-to-day program operation costs – case management support, client support/services, emergency financial assistance, etc. This City of Rockville CDBG grant opportunity is a much-needed opportunity to address these property-related needs.

Leveraged Funds #1

For approved funds, provide a copy of each commitment or award letter.

Leveraged Funds #2

For approved funds, provide a copy of each commitment or award letter.

Leveraged Funds #3

For approved funds, provide a copy of each commitment or award letter.

Volunteer or In-kind Contributions

If you will use volunteers or in-kind contributions for this project, please explain how:

No. The work required for the planned projects is specialized and not appropriate for general volunteers.

Long-term Sustainability*

Explain, in detail, your long-term sustainability plan for this project. If you are proposing rehabilitation or construction activities, describe your long-term operation and maintenance plans for the project, including your plan to keep the housing affordable for LMI households (i.e., source of subsidy). If you are proposing a program, describe your plan for operating this program once CDBG funds are no longer available.

Community Reach of Montgomery County has provided permanent supportive housing for homeless women at Rockland House for 11 years and Jefferson House for 24 years. Our staff and supporters are involved closely in the daily lives of our residents and are aware of and responsive to their needs and the required upkeep of the properties.

Rockland and Jefferson House benefit from dedicated volunteers who assist with yardwork and upkeep tasks. In FY25, volunteers provided over 200 hours of service to the Housing Program, assisting with Manna food delivery, simple handyman services, yard work, life skills training, and cooking and delivering homemade meals for residents.

Reach works to maintain a broad base of diverse funding sources for all of its programs, including the Housing Program. These sources include the City of Rockville and Montgomery County governments, corporations, private foundations, individual donations, faith congregations, as well as In-Kind Goods and Services from our supporters and partners.

As further evidence of Community Reach of Montgomery County's sustainability, we have been selected by Spur Local (formerly the Catalogue for Philanthropy) as one of the Washington DC region's best small charities for several consecutive years.

Key Staff and Partnerships

Key Staff Instructions: Provide the name and list of information below for each key staff person who is responsible for carrying out your program's CDBG action plan.

Name - Key Staff #1*

Tosha Dyson, Director of Property Services

Project Role - Key Staff #1*

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

The Director of Property Services joined Reach in June of 2025. She serves as a landlord for all residents and has primary responsibility for the physical upkeep of the two properties. She worked from 2009 to 2025 at Rockville Housing Enterprises, a major partner of the Housing Program, making her well-equipped to support residents in meeting RHE requirements for residency.

Name - Key Staff #2

Ali Robinson, Director of Client Services

Project Role - Key Staff #2

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

The Director of Client Services, with Reach since December 2024, oversees intake and orientation of new residents, provides case management to assist residents with accessing resources, runs house meetings, and other client-related services as needed. The Director of Client Services' background in providing case management to returning citizens and individuals in recovery aligns directly with the needs of our residents. He has worked on prior CDBG contracts including our FY24 and FY25 projects.

Name - Key Staff #3

Andrea Kempner-Wink

Project Role - Key Staff #3

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

Andrea has been with the organization since October 2013. As Managing Director, she oversees Community Reach of Montgomery County's service areas. She has worked with City of Rockville staff to execute grant and contract funding in timely and efficient ways, including overseeing the final stages of a CDBG contract after the resignation of the program director. She will work closely with Housing Program staff and the contractors to ensure the proposed project is executed successfully.

Additional Staff

Provide a list of additional staff and their role for this project.

[Unanswered]

Partnerships*

Will you enter into a partnership with any other organization(s) to undertake this project?

No

Partnership Details

If “yes,” please list the organization(s) and its contribution(s).

[Unanswered]

Experience and Organizational Capacity

Organization's Mission*

Describe your organization’s mission and how the proposed project fits in with your organization’s mission and current activities.

Community Reach of Montgomery County's mission is to empower those who are underserved in Montgomery County by addressing their essential needs to enhance the overall well-being of our community. As part of this mission, Reach operates Jefferson and Rockland Houses to provide permanent supportive housing for homeless men and women as they work towards self-sufficiency.

The proposed project will make Jefferson and Rockland Houses more livable and provide necessary upkeep to keep the houses in working order. These improvement projects help ensure the houses meet living standards for residents.

Organization's Founding Date*

List the date or year your organization was established.

1967

Number of Full-time Staff*

Number of full-time paid staff in your organization.

11

Number of Part-time Staff*

Number of part-time paid staff in your organization.

27

Organizational Chart*

Provide a copy of your current Organizational Chart.

Organzation CHART updated 11-2024.pdf

New Staff*

Will a consultant(s) or contract staff be hired to help implement the project?

No

Number of NEW Full-time Staff*

Number of new staff who will be hired to work on the project, if funded.

0

Number of NEW Part-time Staff*

Number of new staff who will be hired to work on the project, if funded.

0

New Staff - Details

If “yes,” please explain the services the consultant or contract staff will offer (**NOTE:** If the project is funded, any subcontracts entered into are subject to approval by the City of Rockville Department of Housing and Community Development):

[Unanswered]

County or City Funding*

Do you currently receive, or are you applying for funding through other County or City agencies?

Yes

County or City Funding - Details

If “yes,” provide information on the activity, the amount, and what agency:

No other county/city funding will support these specific renovations. Reach as an organization receives funding from both Montgomery County and the City of Rockville.

FY26 Montgomery County and CDBG Grants include the following:
Rockville Emergency Assistance Program $56,620, Trivens Kargbo 240-777-3794
Mansfield Kaseman Health Clinic $152,961 Legacy Grant & Community Grant, Ashley Miller (240)-672-4931
Language Outreach Program $33,044 Legacy Grant, Aizat Oladapo 240-777-1460
Senior Reach Program $53,851 Janet Bell 240-777-4057
Housing Program (Jefferson House/Rockland House) $25,963 Janet Bell 240-777-4057
Kaseman Clinic, contract with Primary Care Coalition on a reimbursement basis. Aisha Robinson, 301-628-3445

City of Rockville contracts for FY26:
$201,080 for Housing, Senior Reach, and Language Outreach Program
$109,000 for the Mansfield Kaseman Health Clinic

Organization Budget*

Attach a copy of your organization’s annual budget for the current year.

FY26 Reach and MKHC combo budget.pdf

Organization Audit*

Attach a copy of the organization’s most recent audit.

FY24 Reach & MKHC Audited Financial Statement.pdf

Past Performance*

Have you received CDBG funds for a project of similar activities, size, and complexity in the past? (If no, skip next 3 questions)

Yes

Past Performance - Project Description

If yes to the "past performance" question, which project(s) and what year(s)?

CDBG FY24: $65,000 AC installation, retaining wall, CDBG FY22: $11,800, shutters, CDBG FY 21: $51,551 (funds not expended), CDBG FY18: $18,131, window sashes, install storm windows, CDBG FY17: $16,900, Remodel two bathrooms

Past Performance - Project Time

If yes to the "past performance" question, did you expend CDBG funds in a timely manner?

Yes

Past Performance - Project Goals

If yes to the "past performance" question, did you meet performance goals for the project?

Yes

Past Performance - Non-CDBG Projects

If No to the "past performance" question, describe a past project of similar activities, size, and complexity where your organization used local, state, or Federal funding. Describe whether you met expenditure deadlines, performance measures, and compliance requirements, such as Davis Bacon or Section 3.

Application Certification and Signature

Application Certification*

"I certify that I have reviewed this application and that, to the best of my knowledge and belief, all of the information provided in this application is true."

In lieu of a signature, provide the name and title of an authorized representative.

Sarah Basehart, Executive Director

File Attachment Summary

Applicant File Uploads

- IRS Determination Letter .pdf
- Rockland House & Jefferson Gutters Photo Evidence.pdf
- CDBG Application Budget_202205190832355428.doc
- File too large.pdf
- Letter from RUMC.pdf
- Organzation CHART updated 11-2024.pdf
- FY26 Reach and MKHC combo budget.pdf
- FY24 Reach & MKHC Audited Financial Statement.pdf

Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0752284927
Oct. 01, 2019 LTR 4168C 0
52-0910334 000000 00
00023094
BODC: TE

COMMUNITY REACH OF MONTGOMERY
COUNTY INC
% AGNES SAENZ EX DIR
1010 GRANDIN AVE STE A1
ROCKVILLE MD 20851-1341

)07557

Employer ID number: 52-0910334
Form 990 required: Yes

Dear Taxpayer:

We're responding to your request dated Sep. 20, 2019, about your tax-exempt status.

We issued you a determination letter in November 1988, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(03).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m.,

0752284927
Oct. 01, 2019 LTR 4168C 0
52-0910334 000000 00
00023095

COMMUNITY REACH OF MONTGOMERY
COUNTY INC
% AGNES SAENZ EX DIR
1010 GRANDIN AVE STE A1
ROCKVILLE MD 20851-1341

local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely yours,

Teri M Johnson

Teri M. Johnson
Operations Manager, AM Ops. 3

Rockland House Roof and Siding Inspection Photos, including comments from contractors about condition of roof

INSPECTION PHOTOS

Quote subtotal	$10,713.41
Total	$10,713.41

***Due to the condition of the current decking, it is recommended to get the roof done as soon as possible. The current plywood underneath the shingles are very soft from either age or rotting. Roof price includes changing out all plywood.**

INSPECTION PHOTOS

Damaged front gutter at Jefferson House

CDBG Project Budget Form

ORGANIZATION NAME: Community Reach of Montgomery County

PROJECT NAME: Improvements to Reach's two permanent supportive homes in Rockville

INSTRUCTIONS

Provide the total budget of the proposed CDBG project, subdivided by activity costs.

Request only the level of CDBG funding needed to carry out the project. The grant request must be sufficient either by itself or included with other proposed funding sources to assure effective administration and completion of the proposed project within the contract period.

List the allocation of CDBG funds among project costs in the Source 1 column and the allocation of other funding sources (as well as the name and amount of the source) in the other columns.

Only complete budget line items that apply to your project. Add additional rows, if needed. If your project has more than four sources, use a second sheet budget sheet.

CDBG Project Budget Form					
Sources					
	Source 1	**Source 2**	**Source 3**	**Source 4**	**Totals**
Name of Source	**CDBG**				
Is the source firmly committed? If yes, must provide award or commitment letter		☐Yes ☐ No	☐Yes ☐ No	☐Yes ☐ No	
Amount					
Uses					
Personnel	**Source 1: CDBG**	**Source 2:**	**Source 3:**	**Source 4:**	**Total**
[List job title and salary]					
[List job title and salary]					
[List job title and salary – add more lines if needed]					
Fringe Benefits					
Personnel Total					
Construction/ Rehabilitation	**Source 1: CDBG**	**Source 2:**	**Source 3:**	**Source 4:**	**Total**
Acquisition					
Architectural, Planning, and Engineering					
Fees (permits, etc.)					
Professional Services	20,326				
Construction/rehab					
Demolition					
Other					
Other					
Other					
Construction/ Rehab Total	20,326				

Program Operating Costs	Source 1: CDBG	Source 2:	Source 3:	Source 4:	Total
Supplies					
Rent/Lease					
Insurance					
Printing					
Communications (Telephone, internet, etc.)					
Travel					
Other					
Other					
Prog. Operating Total					
Project Total	20,326				

The file combining all the quotes is too large. It will be emailed to Chuck Dunn.

Rockville United Methodist Church

The United Methodist Church

October 7th, 2025

City of Rockville
Department of Community Planning and Development Services
111 Maryland Avenue
Rockville, Maryland 20850

Attention: Community Development Block Grant Applications

I am writing on behalf of Rockville United Methodist Church in support of Community Reach of Montgomery County's (CRMC) application for funding for repairs to the historic Old Methodist Parsonage from the City of Rockville Community Development Block Grant.

Rockville United Methodist Church (RUMC) is a congregational member of Community Reach of Montgomery County and has a long-standing partnership with the organization. The partnership became even stronger upon opening Jefferson House Personal Living Quarters at the Old Methodist Parsonage which is owned by RUMC. CRMC and RUMC have worked to attend to the needs of homeless men residing in this supportive home and take great pride in watching many of these men find their way back to self-sufficiency. We have been a part of this work for the past 30 years and look forward to many years of serving the homeless community in Montgomery County alongside CRMC.

The Old Methodist Parsonage which houses CRMC's Jefferson House program was built in 1869 and is included in the Maryland Historical Sites inventory and the nationally and locally designated Historic District of West Montgomery Avenue. It has many upkeep needs due to its age. CRMC and RUMC have worked together on many maintenance issues over the years. Maintenance issues addressed recently include, among other things, a fully renovated kitchen, painting the exterior of the house, and shutter replacement. As the property owner, RUMC is deeply grateful to CRMC for the leadership they have provided in pursuing repair work needed to make this home safe and habitable for the men who live there.

We are aware of the work they are planning to do with funding from this grant application which includes the following proposed repairs: roof and gutters. We wholeheartedly agree with their plan and support their application for funding to complete the work. RUMC has no plans to sell this property, and we commit to taking no such action through fiscal year 2029.

Sincerely,

Rev. YouJung Jung

112 West Montgomery Avenue, Rockville, Maryland 20850-4213
Telephone 301/762-2288 Fax 301/762-6700
Website: www.rockvilleumc.org
Email: rockville_umc@rockvilleumc.org

Rockville United Methodist Church

The United Methodist Church

October 7th, 2025

City of Rockville
Department of Community Planning and Development Services
111 Maryland Avenue
Rockville, Maryland 20850

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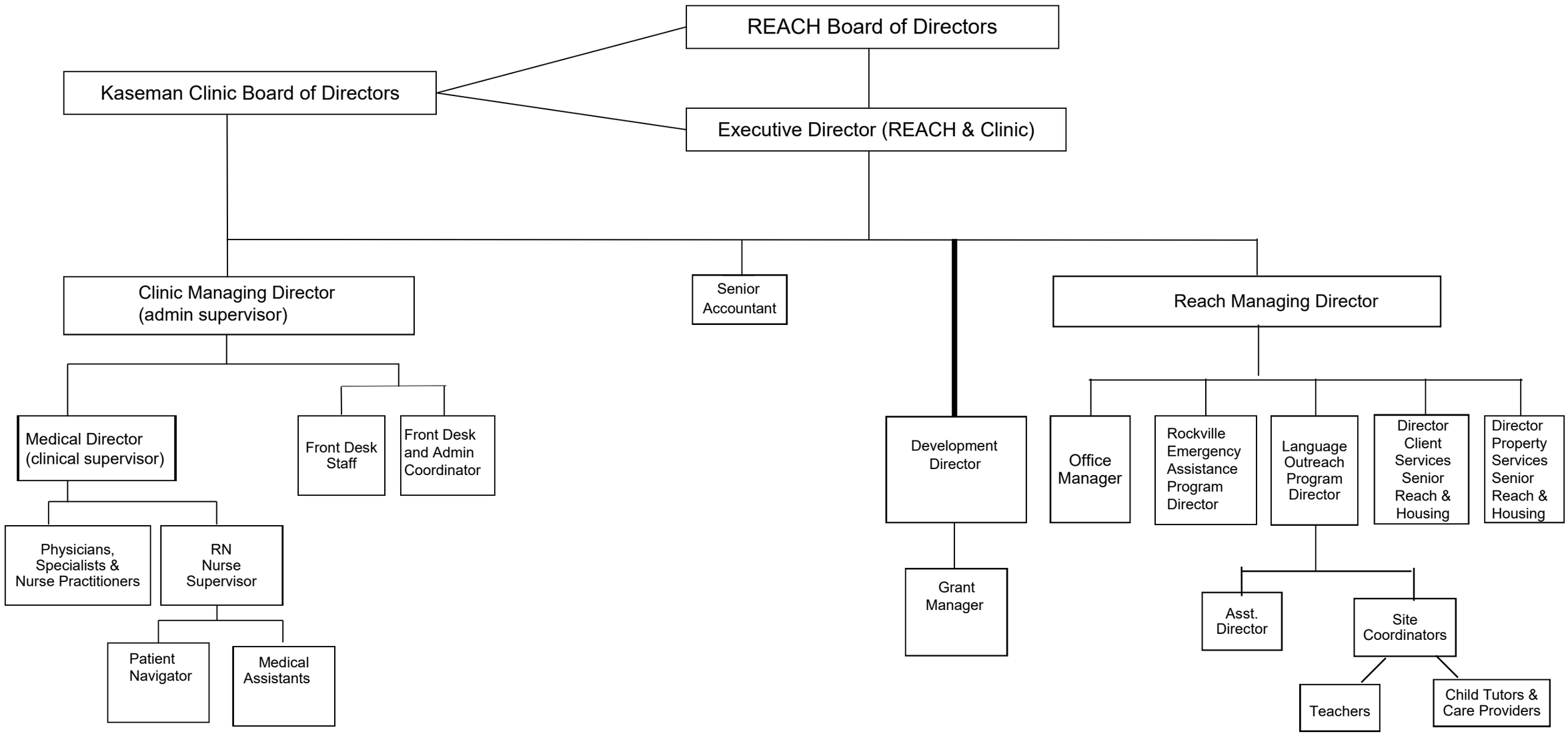
Sincerely,

Rev. YouJung Jung

112 West Montgomery Avenue, Rockville, Maryland 20850-4213
Telephone 301/762-2288 Fax 301/762-6700
Website: www.rockvilleumc.org
Email: rockville_umc@rockvilleumc.org

COMMUNITY REACH OF MONTGOMERY COUNTY (REACH) and — MANSFIELD KASEMAN HEALTH CLINIC, LLC — ORGANIZATION CHART



Rev. 06/30/20_?

Community Reach of Montgomery County, Inc.
Budget Overview: COMBINED (Reach + MKHC)
FY26 Budget FINAL - Approved by Board

INCOME	
4000 Donations, unrestricted	129,500.00
4101 Government Contracts	886,674.64
4106 Montgomery Cares - Primary Care Coalition	374,088.00
4107 Rockville Housing Enterprises	62,000.00
4115 Medicare/Medicaid Patients	20,000.00
4200 Grants/Foundations	130,500.00
4205 United Way of the NCA	7,000.00
4350 Client/Patient Fees	301,000.00
4410 Fundraising Events	235,000.00
4415 Other Fund Raisers	118,250.00
4423 Year-End Giving	45,000.00
4603 Occupancy & Management Fees	135,576.00
4710 Interest/Dividend Income	17,000.00
TOTAL INCOME	2,461,588.64
EXPENSES	
5000 Salaries	1,236,995.51
5001 Employers FICA	94,630.16
5003 Medical Insurance	105,248.01
5007 Unemployment Ins (Escrow)	9,550.00
5008 Retirement Plan	18,652.53
5011 Life Insurance Expense	1,062.00
5005 Liability & Umbrella Insurance	44,774.00
5006 D & O Insurance	7,590.00
5010 Malpractice/Prof Insurance	24,545.00
5071 Cyber Crime Insurance	2,251.00
5072 Crime Package Insurance	1,491.00
5002 Consulting Services	67,400.00
5012 Training and Educational	8,750.00
5013 Dues,Pubs,Memberships	4,000.00
5014 Conferences & Meetings	500.00
5015 Employee transp, Parking	650.00
5016 Volunteer Recognition	750.00
5017 Audit and Tax Preparation	26,000.00
5019 Payroll Direct Deposit Fees	10,500.00
5020 General Program Expenses	12,100.00
5021 Supplies	6,000.00
5022 Telephone, Paging, Internet	27,840.00
5023 Small Furn & Equipt & Software	10,200.00
5024 Employee Recruitment	450.00
5025 Printing & Copying	7,012.00
5027 Postage	1,900.00
5029 Fees-License,Background checks	1,675.00
5030 Maintenance & Repairs - Bldg	8,700.00
5031 Maintenance & Repairs - Equipt	23,935.00
5032 Rent - Grandin Ave	237,870.38
5035 Administrative Support Allocation	125,976.60
5036 REAP's Occupancy Fee to Clinic	9,600.00
5037 Real Estate Tax	750.00
5040 IT Services	43,080.00
5057 Housing	55,000.00
5058 Utilities	35,720.00
5059 Medical	1,100.00
5061 Client's Aide	14,200.00
5062 Home Healthcare Services	95,000.00
5063 Safe & Habitable Housing Matls	15,000.00
5064 Instructional Materials	8,500.00
5067 Cable TV	2,200.00
5068 Rent	18,972.00
5069 General Expense-Clients	2,000.00
5070 Medicaid Expense	1,066.00
5075 ECW Maintenance Fees	7,000.00
5085 Medical Supplies	12,000.00
5086 Trash & Hazmat Disposal	7,000.00
5087 Security System	1,272.00
5088 Lab Fees	65,000.00
5089 Radiology Fees	1,500.00
5042 Meals & Entertainment	250.00
5101 Gala Dinner-Expense	30,000.00
5102 All Occasion (In Mem) -Expense	50.00
5104 Holiday Giving	1,500.00
5105 Year End Appeal	735.00
5115 Other Fundraisers	3,500.00
5200 Capital Expenditures	1,500.00
5201 Depreciation	4,825.00
TOTAL EXPENSES	2,567,318.19
NET OPERATING INCOME (DEFICIT)	(105,729.55)

COMMUNITY REACH OF MONTGOMERY COUNTY
AND
MANSFIELD KASEMAN HEALTH CLINIC, LLC

CONSOLIDATED FINANCIAL STATEMENTS
WITH

INDEPENDENT AUDITORS' REPORT

Year Ended June 30, 2024

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Independent Auditors' Report

To the Board of Directors
Community Reach of Montgomery County

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Community Reach of Montgomery County and subsidiary (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2024 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Statement of Financial Position, Consolidating Statement of Activities and Consolidating Statement of Change in Net Assets on pages 21 - 23 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements.

The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Matter

Report on the Comparative Consolidated Financial Statements

The consolidated financial statements of the Organization, as of and for the year ended , were audited by other auditors, whose report dated February 22, 2024, expressed an unmodified opinion on these statements.

Bethesda, Maryland
February 25, 2025

COMMUNITY REACH OF MONTGOMERY COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Comparative Totals for 2023)

	2024	2023
Assets		
Cash and cash equivalents	$ 518,746	$ 870,735
Investments	193,709	171,604
Contributions and grants receivable	214,553	179,810
Accounts receivable	49,197	101,064
Prepaid expenses	33,346	32,273
Finance lease right of use asset	15,512	-
Operating lease right of use asset	1,881,913	94,807
Property, equipment and leasehold improvements, net	315,397	381,154
Security deposits	16,942	9,899
Total assets	$ 3,239,315	$ 1,841,346
Liabilities and net assets		
Accounts payable and accrued expenses	$ 166,040	$ 57,730
Accrued salaries and related benefits	19,749	18,442
Refundable advance	7,700	14,836
Deferred revenue	500	-
Finance lease liability	15,590	-
Operating lease liability	1,901,848	94,807
Notes payable	330,250	341,050
Total liabilities	2,441,677	526,865
Net assets		
Without donor restrictions		
Undesignated	261,168	715,292
Board designated	122,434	122,434
Total net assets without donor restrictions	383,602	837,726
With donor restrictions	414,036	476,755
Total net assets	797,638	1,314,481
Total liabilities and net assets	$ 3,239,315	$ 1,841,346

The accompanying notes are an integral part of these consolidated financial statements.

COMMUNITY REACH OF MONTGOMERY COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
June 30, 2024
(With Comparative Totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue				
Contributions and grants	$ 1,569,115	$ 110,748	$ 1,679,863	$ 1,420,630
Events	273,159	-	273,159	290,590
Contributed nonfinancial assets	493,166	-	493,166	1,372,840
Patient and client fees	307,541	-	307,541	243,240
Investment income, net	32,170	-	32,170	9,671
Other	19,444	-	19,444	263,936
Net assets released from donor restrictions	173,467	(173,467)	-	-
Total support and revenue	2,868,062	(62,719)	2,805,343	3,600,907
Expenses				
Program services				
Rockville Emergency Assistance	296,666	-	296,666	232,778
Senior Reach	281,213	-	281,213	240,418
Jefferson House	112,911	-	112,911	148,034
Rockland House	81,569	-	81,569	82,302
Language Outreach	241,853	-	241,853	227,924
Agnes Saenz Fund	-	-	-	1,049
Mansfield Kaseman Health Clinic	1,161,618	-	1,161,618	2,072,624
Total program services	2,175,830	-	2,175,830	3,005,129
Supporting services				
Management and general	837,626	-	837,626	523,288
Development and fundraising	308,730	-	308,730	253,573
Total supporting services	1,146,356	-	1,146,356	776,861
Total expenses	3,322,186	-	3,322,186	3,781,990
Change in net assets before other items	(454,124)	(62,719)	(516,843)	(181,083)
Other Items				
Extinguishment of debt	-	-	-	91,062
Change in net assets	(454,124)	(62,719)	(516,843)	(90,021)
Net assets, beginning of year	837,726	476,755	1,314,481	1,404,502
Net assets, end of year	$ 383,602	$ 414,036	$ 797,638	$ 1,314,481

The accompanying notes are an integral part of these consolidated financial statements.

COMMUNITY REACH OF MONTGOMERY COUNTY AND SUBSIDIARY
STATEMENT OF FUNCTIONAL EXPENSES
June 30, 2024
(With Comparative Totals for 2023)

	2024						
	Program Services						
	Rockville Emergency Assistance	Senior Reach	Jefferson House	Rockland House	Language Outreach	Mansfield Kaseman Health Clinic	Total Program Services
Salary and fringe benefits	$ 68,643	$ 63,924	$ 36,512	$ 37,396	$ 193,768	$ 464,416	$ 864,659
Clinic operations	-	-	-	-	-	304,606	304,606
Rent expense	3,319	2,494	42,654	2,494	14,494	87,454	152,909
Professional expenses	24,635	341	3,034	3,539	442	89,344	121,335
Home care services	5,485	177,737	-	10	-	-	183,232
Insurance	5,601	7,506	2,808	2,585	9,573	19,027	47,100
Emergency assistance services	127,808	-	7,036	5,417	-	-	140,261
Food and medical for residents	375	6,791	7,420	3,358	-	-	17,944
Depreciation and amortization	-	-	2,049	10,809	-	30,626	43,484
Telephone, internet and security	-	-	2,849	2,469	1,582	6,695	13,595
Small furniture and equipment	-	-	1,385	1,380	2,699	21,465	26,929
Utilities	-	-	-	1,338	-	4,673	6,011
Safe and habitable home project	-	21,424	-	261	-	-	21,685
ESL and naturalization	-	-	-	-	17,453	-	17,453
General program expenses	411	41	3,253	3,652	572	22,875	30,804
Supplies	66	-	1,685	1,928	340	4,528	8,547
Maintenance and repair	-	720	2,011	4,809	-	62,407	69,947
Travel and transportation	593	21	199	124	5	2,598	3,540
Printing	82	22	-	-	890	2,822	3,816
Fundraising events	59,648	-	-	-	-	-	59,648
Conferences and meetings, dues and memberships	-	-	-	-	35	37,496	37,531
Postage and freight	-	192	16	-	-	18	226
Interest expense	-	-	-	-	-	568	568
Total expenses	$ 296,666	$ 281,213	$ 112,911	$ 81,569	$ 241,853	$ 1,161,618	$ 2,175,830

The accompanying notes are an integral part of these consolidated financial statements.

COMMUNITY REACH OF MONTGOMERY COUNTY AND SUBSIDIARY
STATEMENT OF FUNCTIONAL EXPENSES
June 30, 2024
(With Comparative Totals for 2023)

	2024 (Continued)				2023
	Supporting Services				
	Management and General	Development and Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salary and fringe benefits	$ 356,666	$ 192,756	$ 549,422	$ 1,414,081	$1,352,175
Clinic operations	-	-	-	304,606	1,244,711
Rent expense	68,120	15,431	83,551	236,460	205,170
Professional expenses	249,371	1,253	250,624	371,959	171,437
Home care services	-	-	-	183,232	129,887
Insurance	31,394	8,128	39,522	86,622	74,107
Emergency assistance services	(1,046)	-	(1,046)	139,215	134,596
Food and medical for residents	45	-	45	17,989	13,806
Depreciation and amortization	19,489	2,784	22,273	65,757	67,242
Telephone, internet and security	14,912	609	15,521	29,116	36,544
Small furniture and equipment	22,303	1,951	24,254	51,183	53,245
Utilities	2,974	425	3,399	9,410	10,983
Bad debt expense	5,996	-	5,996	5,996	-
Safe and habitable home project	-	-	-	21,685	26,549
ESL and naturalization	-	-	-	17,453	4,089
General program expenses	8,471	-	8,471	39,275	39,484
Supplies	2,135	262	2,397	10,944	80,891
Maintenance and repair	41,525	5,673	47,198	117,145	25,350
Travel and transportation	2,066	233	2,299	5,839	9,847
Printing	6,525	398	6,923	10,739	6,422
Fundraising events	-	77,998	77,998	137,646	57,747
Conferences and meetings, dues and memberships	5,824	775	6,599	44,130	36,108
Postage and freight	196	2	198	424	1,600
Interest expense	660	52	712	1,280	-
Total expenses	$ 837,626	$ 308,730	$ 1,146,356	$ 3,322,186	$ 3,781,990

The accompanying notes are an integral part of these consolidated financial statements.

COMMUNITY REACH OF MONTGOMERY COUNTY AND SUBSIDIARY
STATEMENT OF CASH FLOWS
June 30, 2024
(With Comparative Totals for 2023)

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ (516,843)	$ (90,021)
Reconciling adjustments:		
Depreciation and amortization	65,757	67,242
Realized and unrealized gain on investments	(15,932)	(5,794)
Extinguishment of debt	-	(91,062)
Amortization of finance lease right of use asset	816	-
Amortization of operating lease right of use asset	25,560	108,131
(Increase) decrease in:		
Contributions and grants receivable	(34,743)	(28,155)
Accounts receivable	51,867	(76,499)
Prepaid expenses	(1,073)	(4,972)
Deposits	(7,043)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	108,310	(67,602)
Accrued salaries and related benefits	1,307	(11,793)
Refundable advance	(7,136)	(20,164)
Deferred revenue	500	-
Operating lease liability	(5,625)	(108,131)
Net cash used in operating activities	(334,278)	(328,820)
Cash flows from investing activities:		
Proceeds from sales of investments	26,843	-
Purchases of investments	(33,016)	(2,883)
Purchases of property and equipment	-	(15,302)
Net cash used in investing activities	(6,173)	(18,185)
Cash flows from financing activities:		
Payments on notes payable	(10,800)	(10,800)
Principal payments on finance lease	(738)	-
Net cash used in financing activities	(11,538)	(10,800)
Net change in cash	(351,989)	(357,805)
Cash, beginning of year	870,735	1,228,540
Cash, end of year	$ 518,746	$ 870,735
Supplemental disclosure of cash flow information		
Interest paid on notes payable	$ -	$ -
Interest paid on finance leases	$ 165	$ -

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

Community Reach of Montgomery County (REACH) (formerly Community Ministries of Rockville) seeks to improve the quality of life for the most vulnerable of Montgomery County residents by providing them with basic health and human services and advocating on their behalf, with the goal of helping them achieve and maintain self-sufficiency. Community Ministries of Rockville legally changed their name to Community Reach of Montgomery County in April of 2019.

The Mansfield Kaseman Health Clinic, LLC (the Clinic) was a program of REACH. The Clinic was incorporated as a limited liability company on April 30, 2010. The sole purpose of the Clinic is to support the charitable and other related purposes of REACH, by providing high quality primary health care services to medically undeserved members of the community.

During the year ended June 30, 2019, the Board of Directors of REACH also changed the name of the Elderly Ministries Program to the Senior Reach Program. REACH supports its mission through its direct service programs, which include the following:

- Rockville Emergency Assistance - Provides financial help for rent, utilities and medication for families and individuals in crisis.
- Senior Reach - Offers home care and home repair services for frail elderly who wish to maintain independence in their homes.
- Jefferson House - Offers permanent supportive housing for homeless men who have finished substance abuse treatment programs.
- Rockland House - Offers permanent supportive housing for homeless women.
- Language Outreach - Offers language and citizenship classes and tips for a better assimilation in the U.S. to recent immigrants.

2. Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements reflect the activity of REACH and the Clinic (collectively, the Organization) as of June 30, 2024. The financial statements of the two organizations have been consolidated because they are under common control. All intercompany transactions have been eliminated during consolidation.

Comparative Financial Information

The accompanying consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Organization's audited consolidated financial statements for the year ended , from which the summarized information was derived.

2. Significant Accounting Policies (continued)

Basis of Accounting

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting, whereby unconditional support is recognized when received, revenue is recognized when earned and expenses are recognized when incurred.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

Net assets with donor restrictions: contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Cash and Cash Equivalents

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts at the Organization are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000. In the event that bank deposits should exceed that limit, management believes the risk in these situations to be minimal.

2. Significant Accounting Policies (continued)

Investments

Investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investments acquired by gift are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all gifts of investments as soon as possible after the gift.

Accounts and Contributions and Grants Receivable

Accounts and contributions and grants receivable are recorded at their net realizable value, which approximates fair value. The allowances are based upon prior years' experience and management's analysis of subsequent collections. As a result of this analysis, receivable deemed to be uncollectible are written off to bad debt expense to the extent not covered by the allowance. No allowance for credit losses or doubtful accounts has been recorded at June 30, 2024. The bad debt expense for accounts receivable for the year ended June 30, 2024 totaled $5,996. No bad debt recognized in contributions and grants receivable.

Property, Equipment and Leasehold Improvements

Property, equipment and leasehold improvements in excess of $2,000 are capitalized and carried at cost. Depreciation of property and equipment is provided on the straight-line basis over the estimated useful lives of the assets, generally five years for property and equipment and three years for computers. Depreciation of the building is provided on the straight line basis over the estimated useful life of forty years. Amortization of leasehold improvements is provided on a straight-line basis over the term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Contributed equipment and leasehold improvements are recorded at their fair value at the date of the donation.

Impairment of Long-Lived Assets

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to the Consolidated Statement of Activities and Change in Net Assets, to its current fair value.

Income Taxes

REACH is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. REACH is not a private foundation.

The Clinic is considered a disregarded entity by the IRS; for the purpose of corporate tax reporting, all financial transactions are reported under REACH.

2. Significant Accounting Policies (continued)

Contributed Nonfinancial Assets

Contributed nonfinancial assets consist primarily of professional services, donated medical supplies and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Right-of-Use Assets and Lease Liabilities

The right-of-use assets and lease liabilities are recognized at the lease commencement date and represent the Organization's right to use an underlying asset and lease obligations for the lease term. Right-of-use assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-of-use assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

Support and Revenue

The Organization receives contributions and grants, including unconditional promises to give, from many sources. Contributions and grants are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Contributions and grants qualifying as conditional contributions contain a right of return and a barrier. Funds received in advance of the incurrence of qualifying expenditures are recorded as a refundable advance. The Organization had approximately $7,700 in unrecognized conditional awards as of June 30, 2024.

2. Significant Accounting Policies (continued)

Support and Revenue (continued)

Revenue classified as exchange transactions are recorded at a point in time when the performance obligations are met. The Organization has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue.

Patient and client fees are recognized as services are provided. Transaction price is based on the applicable fee. Events revenue is recognized when the related event occurs. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported consolidated net assets.

3. Investments

In accordance with FASB ASC 820, Fair Value Measurement, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3 – These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2024. There were no transfers between levels in the fair value hierarchy during the year ended June 30, 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission (SEC). These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Organization are deemed to be actively traded. Such securities are classified within Level 1 of the valuation hierarchy.

Exchange-Traded Products (ETPs) - Valued at the closing price reported in the active markets in which the common stocks and ETPs are traded. Such securities are classified within Level 1 of the valuation hierarchy.

3. Investments (continued)

Investments consisted of the following at June 30, 2024:

Level 1	
Mutual Funds	$ 150,757
Exchange-Traded Products (ETPs)	40,832
	191,589
Cash (at cost)	2,120
	$ 193,709

Included in investment income, net, are the following:

Interest and dividends	$ 18,053
Realized/unrealized gain on investments	15,932
Investment fees	(1,815)
Total investment income, net of investment expenses	$ 32,170

4. Property and Equipment and Leasehold Improvements

Property, equipment and leasehold improvements consisted of the following at June 30, 2024:

Furniture and equipment	$ 91,812
Leasehold improvements	235,329
Building	428,524
Total	755,665
Less: accumulated depreciation and amortization	(440,268)
Property, equipment and leasehold improvements, net	$ 315,397

Depreciation and amortization expense for the year ended June 30, 2024 was $65,757.

5. Line of Credit

The Organization has a $300,000 line of credit with a local bank. Borrowings on the line of credit bear interest at the bank's current prime rate (8.5% at June 30, 2024), plus two and six-tenths percent. As of June 30, 2024, there was no outstanding balance on the line of credit. The line of credit was closed on October 29, 2024.

6. Notes Payable

In October 2013, the Organization entered into two notes payable with Montgomery County for the purchase of Rockland property. The funding sources were split and note payable agreements were entered into with the Community Development Block Grant (CDBG) and Housing Initiative Fund (HIF) for amounts of $250,000 and $182,000, respectively, for a total of $432,000.

The HIF loan is for a term of 40 years. Annual payments to HIF are required at an amount equal to the lesser of 50% of net cash flow or $4,550. The CDBG loan agreement stipulates that the HIF balance will be paid in full before payments to CDBG are required to commence. Upon full repayment, annual payments to CDBG are required at an amount equal to the lesser of 50% of net cash flow or $6,250. Borrowings on each loan bear no interest. Although the CDBG loan requires no payment until the HIF loan is paid in full, the Organization has been able to pay both notes concurrently in the amount of $10,800 per year.

As of June 30, 2024, the outstanding principal of the notes payable were $330,250. Principal payments are due as follows:

Years ending June 30, 2025	$	4,550
2026		4,550
2027		4,550
2028		4,550
2029		4,550
Thereafter		307,500
Total	$	330,250

7. Board-Designated Net Assets

REACH's Board of Directors established a general reserve fund during 2001 in order to designate funds for unexpected cash flow shortfalls, expenses or losses without donors.

The funds are held in an investment account administered by Raymond James Investment Services, and the balance in that account at June 30, 2024 was $22,434.

The Clinic's Board of Directors established a similar reserve fund during 2015, and those funds are held in an account administered by Raymond James Investment Services. The general reserve fund had a balance of $100,000 at June 30, 2024.

8. Retirement Plan

REACH provides retirement benefits to its employees and those of the Mansfield Kaseman Health Clinic through a SIMPLE IRA plan covering all employees who earn at least $5,000 per year with one-year of eligible experience. REACH contributes a matching contribution not to exceed 3% of each participant's gross wages. Contributions to the Plan for the year ended June 30, 2024 totaled $19,355.

9. Liquidity and Availability

Financial assets available for use for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the Consolidated Statement of Financial Position date at June 30, 2024 comprise the following:

Cash and cash equivalents	$ 518,746
Investments	193,709
Contributions and grants receivable	214,553
Accounts receivable	49,197
Subtotal financial assets available within one year	976,205
Less: donor restricted funds	(414,036)
Less: Board-Designated funds	(122,434)
Financial assets available to meet cash needs for general expenditures within one year	$ 439,735

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, the Organization had a line of credit agreement (Note 5), which allows for additional available borrowings up to $300,000. The line of credit was closed on October 29, 2024. The Organization also had total Board-Designated net assets of $122,434 as of June 30, 2024 (Note 7), which may be used for unexpected cash flow shortfalls upon approval by the Board of Directors.

10. Grants and Contracts with Government Agencies

The Organization had grants and contracts with the following agencies during the year ended June 30, 2024:

Montgomery County Government: Funds administered through a grant with Montgomery Coalition for Adult English Literacy to support the Language Outreach program.

Montgomery County Department of Health and Human Services (DHHS): Montgomery Cares funds administered through a grant with Primary Care Coalition for the Mansfield Kaseman Health Clinic.

Montgomery County Council: Montgomery County Council funds to support the Rockville Emergency Assistance Program, Senior Reach, Housing and Language Outreach Programs, and the Mansfield Kaseman Health Clinic.

HUD: Funds administered by Rockville Housing Enterprises for the operation of Jefferson House and Rockland House.

City of Rockville: Funds to support the Senior Reach, Housing and Language Outreach Programs, and the Mansfield Kaseman Health Clinic.

FEMA: Funds administered by United Way's Emergency Food and Shelter Program for the REAP Program.

10. Grants and Contracts with Government Agencies (continued)

Community Development Block Grants: Funds to administer support to the Mansfield Kaseman Health Clinic.

11. Lease Commitments

REACH's lease agreement for its main office expired on February 1, 2017. REACH agreed with Montgomery County to continue on a month-to-month basis.

For the Jefferson House program, REACH entered into a lease agreement which expired on December 31, 2023. The agreement included a monthly contribution from the landlord until the expiration date. This lease was extended through December 31, 2028, and the monthly lease payment will be based on the market-based value starting in January 1, 2025 with annual increases.

The Clinic entered into a lease agreement which expired on May 31, 2024. In June 2024, the Clinic entered into a new operating office lease agreement with a lease term of ten years and four months, expiring on September 30, 2034. The lease includes rental abatements and annual increases in the base rent.

As of June 30, 2024, the remaining lease term related to the REACH and the Clinic operating lease was 54 months and 123 months, respectively. The discount rate for the REACH and the Clinic operating leases was 3.93% and 4.41%, respectively.

At June 30, 2024, future minimum lease payments were as follows:

	REACH	The Clinic	Total
Years ending June 30, 2025	$ 17,520	$ 152,904	$ 170,424
2026	18,972	208,825	227,797
2027	20,460	214,045	234,505
2028	21,984	219,397	241,381
2029 and thereafter	11,376	1,494,348	1,505,724
Total	90,312	2,289,519	2,379,831
Less: imputed interest	(7,792)	(470,191)	(477,983)
	$ 82,520	$ 1,819,328	$ 1,901,848

Lease expense totaled $201,435 for the year ended June 30, 2024. In addition, REACH received donated rent of $35,025 for its programs for the year ended June 30, 2024.

11. Lease Commitments (continued)

The Clinic also leases office equipment under the terms of finance lease. The future minimum lease payments under the finance lease are as follows:

Years ending June 30, 2025	$	3,612
2026		3,613
2027		3,613
2028		3,613
2029		2,709
Total		17,160
Less: imputed interest		(1,570)
	$	15,590

12. Contributed Nonfinancial Assets

During the year ended June 30, 2024, the Organization was the beneficiary of donated goods and services, which allow the Organization to provide greater resources toward various programs. There were no donor-imposed restrictions associated with the contributed nonfinancial assets in either year. Contributed nonfinancial assets are recorded at their fair market value as of the date of the gift.

To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended June 30, 2024.

	REACH	The Clinic	Total
Supplies and equipment	$ 21,167	$ 1,649	$ 22,816
Fundraiser donations	30,160	6,309	36,469
Holiday giving	59,034	-	59,034
Laboratory, pharmacy and medical tests	-	53,030	53,030
Administrative	5,050	6,925	11,975
Interpreters	-	34,931	34,931
Legal	45,460	-	45,460
Services	9,005	-	9,005
Health educations	9,556	2,175	11,731
Physicians	-	149,549	149,549
Social work services	24,141	-	24,141
Rent expense	35,025	-	35,025
Total contributed nonfinancial assets	$ 238,598	$ 254,568	$ 493,166

12. Contributed Nonfinancial Assets (continued)

The following programs have benefited from these donated services for the year ended June 30, 2024:

	REACH	The Clinic	Total
Rockville Emergency Assistance	$ 84,000	$ -	$ 84,000
Senior Reach	10,301	-	10,301
Jefferson House	33,839	-	33,839
Rockland House	8,169	-	8,169
Language Outreach Program	21,618	-	21,618
Mansfield Kaseman Health Clinic	-	248,259	248,259
Management and General and Fundraising	80,671	6,309	86,980
Total contributed nonfinancial assets	$ 238,598	$ 254,568	$ 493,166

13. Litigation

At June 30, 2024, outstanding claims involve flood damage restoration service allegations for services performed by a restoration company but not paid by the Organization and other two businesses. The Organization has accrued $95,000 as a contingency for the year ended June 30, 2024, reflecting a reasonable estimate of potential exposure based on legal counsel's assessment and available evidence.

14. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 25, 2025, the date the consolidated financial statements were ready to be issued.

Supplementary Information

COMMUNITY REACH OF MONTGOMERY COUNTY AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2024

	REACH	The Clinic	Eliminations	Total
Assets				
Cash and cash equivalents	$ 118,933	$ 399,813	$ -	$ 518,746
Investments	54,120	139,589	-	193,709
Contributions and grants receivable	72,959	141,594	-	214,553
Accounts receivable	25,552	23,645	-	49,197
Due from related party	-	5,362	(5,362)	-
Prepaid expenses	19,484	13,862	-	33,346
Finance lease right of use asset	-	15,512	-	15,512
Operating lease right of use asset	81,049	1,800,864	-	1,881,913
Property, equipment and leasehold improvements, net	313,500	1,897	-	315,397
Security deposits	-	16,942	-	16,942
Total assets	$ 685,597	$ 2,559,080	$ (5,362)	$ 3,239,315
	Liabilities and net assets			
Liabilities				
Accounts payable and accrued expenses	$ 24,846	$ 141,194	$ -	$ 166,040
Accrued salaries and related benefits	14,593	5,156	-	19,749
Refundable advance	7,700	-	-	7,700
Deferred revenue	-	500	-	500
Due to related party	5,362	-	(5,362)	-
Capital lease liability	-	15,590	-	15,590
Operating lease liability	82,520	1,819,328	-	1,901,848
Notes payable	330,250	-	-	330,250
Total liabilities	465,271	1,981,768	(5,362)	2,441,677
Net assets				
Without donor restrictions				
Undesignated	117,220	143,948	-	261,168
Board designated	22,434	100,000	-	122,434
Total net assets without donor restrictions	139,654	243,948	-	383,602
With donor restrictions	80,672	333,364	-	414,036
Total net assets	220,326	577,312	-	797,638
Total liabilities and net assets	$ 685,597	$ 2,559,080	$ (5,362)	$ 3,239,315

COMMUNITY REACH OF MONTGOMERY COUNTY AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
June 30, 2024

	REACH	The Clinic	Eliminations	Total
Support and revenue without donor restrictions				
Contributions and grants	$ 817,185	$ 751,930	$ -	$ 1,569,115
Events	193,039	80,120	-	273,159
Contributed nonfinancial assets	238,598	254,568	-	493,166
Patient and client fees	43,831	263,710	-	307,541
Investment income, net	13,518	18,652	-	32,170
Management fees	35,000	-	(35,000)	-
Other	17,787	11,257	(9,600)	19,444
Net assets released from donor restrictions	141,592	31,875	-	173,467
Total revenue and support without donor restrictions	1,500,550	1,412,112	(44,600)	2,868,062
Expenses				
Program services				
Rockville Emergency Assistance	306,266	-	(9,600)	296,666
Senior Reach	281,213	-	-	281,213
Jefferson House	112,911	-	-	112,911
Rockland House	81,569	-	-	81,569
Language Outreach	241,853	-	-	241,853
Mansfield Kaseman Health Clinic	-	1,181,881	(20,263)	1,161,618
Total program services	1,023,812	1,181,881	(29,863)	2,175,830
Supporting services				
Management and general	428,401	422,120	(12,895)	837,626
Development and fundraising	225,497	85,075	(1,842)	308,730
Total supporting services	653,898	507,195	(14,737)	1,146,356
Total expenses	1,677,710	1,689,076	(44,600)	3,322,186
Change in net assets without donor restrictions	(177,160)	(276,964)	-	(454,124)
Support and revenue with donor restrictions				
Contributions and grants	53,248	57,500	-	110,748
Net assets released from donor restrictions	(141,592)	(31,875)	-	(173,467)
Change in net assets with donor restrictions	(88,344)	25,625	-	(62,719)
Change in net assets	(265,504)	(251,339)	-	(516,843)
Net assets, beginning of year	485,830	828,651	-	1,314,481
Net assets, end of year	$ 220,326	$ 577,312	$ -	$ 797,638

COMMUNITY REACH OF MONTGOMERY COUNTY AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CHANGE IN NET ASSETS
June 30, 2024

	REACH	The Clinic	Eliminations	Total
Net assets without donor restrictions				
Net assets at beginning of year	$ 316,814	$ 520,912	$ -	$ 837,726
Change in net assets released without donor restrictions	(177,160)	(276,964)	-	(454,124)
Net assets at end of year	$ 139,654	$ 243,948	$ -	$ 383,602
Net assets with donor restrictions				
Net assets at beginning of year	$ 169,016	$ 307,739	$ -	$ 476,755
Change in net assets released with donor restrictions	(88,344)	25,625	-	(62,719)
Net assets at end of year	$ 80,672	$ 333,364	$ -	$ 414,036

Montgomery Housing Partnership, Inc.

FY27 Community Development Block Grant (CDBG)

Montgomery Housing Partnership, Inc.

Mr. Robert A Goldman
12200 Tech Road, Suite 250
Suite 250
Silver Spring, MD 20904

grants@mhpartners.org
O: 301-812-2400

Ms. Elizabeth Louise McCall

12200 Tech Road
Suite 250
Silver Spring, MD 20904

emccall@mhpartners.org
O: 301-579-4595

Application Form

Applicant Information and Request Amount

Project Name*
Legal name of Applicant/Organization

Montgomery Housing Partnership, Inc.

Federal I.D. Number*
52-1631939

Type of Organization*
Nonprofit

501(c)(3) Status
If you are a nonprofit organization, upload an Internal Revenue Service letter granting non-profit status 501(c)(3).

MHP IRS Tax Exempt Ltr.pdf

Address*
12200 Tech Road, Suite 250, Silver Spring, MD 20904

Contact Person*
Provide a name and job title.

Elizabeth McCall

Contact Person - Telephone Number*
3015794595

Contact Person - E-mail*
grants@mhpartners.org

Project Title*
Bethany House Exterior Improvements

Amount of CDBG Funds Requested*
$75,000.00

Amount of Total Project Budget*
$135,583.20

Would you like to collaborate on this application with another person? If yes, follow the instructions below.

Once you have started a request you will see the Collaborate button at the top of the page. This can be used to invite other people to work on this request.

- From the Collaborate pop up, enter the email address of the person you would like to invite,
- Set the Permission you would like the collaborator to have, either View, Edit, or Submit.
- And lastly, include a message and select Invite.

An email will be sent to the collaborator containing your message, their username, and a link to the logon page.

After logging into the system, the collaborator will see this request under the Collaboration Requests tab of their Applicant Dashboard. Here they can select the edit form link and start collaborating on the document. The Collaborator will have access to all forms within the request that have been assigned to the original applicant.

Project Description and Need

Project Description*
Provide a *brief* summary of your project. Describe: WHAT you will do, WHO you will serve, WHY the project is needed, WHERE you will do it, and WHAT activities you will fund with CDBG. *(NOTE: More information is requested later; this space is for a brief overview of your project.)*

Montgomery Housing Partnership (MHP) requests Community Development Block Grant (CDBG) funding for exterior rehabilitation and site improvements at Bethany House, a 250-unit affordable apartment community for low- and moderate-income seniors located at 199 Rollins Avenue, Rockville, MD. Many residents are long-term Rockville community members living on fixed incomes.

This project will complete critical exterior repairs and site upgrades that enhance safety, accessibility, and livability while advancing the City's goals for neighborhood revitalization. CDBG-funded activities will include replacement of aging exterior lighting, landscaping and drainage improvements, and installation of new signage, benches, and seating areas. These capital upgrades will address deferred maintenance, activate the outdoor space by creating amenities, and create a more dignified, welcoming environment for residents and visitors to enjoy.

While interior renovations are already being supported through other funding sources, the building's exterior systems and open spaces remain in urgent need of attention. Investing in these components will strengthen curb appeal along the Rollins Avenue corridor and create much needed amenities for residents to enjoy as well as space for organizing community activities outdoors.

MHP will leverage internal reserves and capital funds to complement CDBG resources and ensure timely completion within the grant term. The improvements will preserve 250 affordable senior apartments, reduce long-term maintenance costs, and activate the outdoor space as a safe, attractive community amenity, supporting both resident well-being and Rockville's broader neighborhood vitality.

Project Need*

What unmet need(s) will your project address? How did you determine that this need exists? You must provide data that quantifies the need to receive full points for Need in the scoring criteria (e.g., number of units, physical needs assessment data, photographs).

Bethany House is home to ~250 residents, with capacity for ~350 at full lease-up. The building provides deeply affordable homes for older adults on fixed incomes who wish to age safely and independently in their community.

While interior renovations are underway, the property's exterior remains in need of repair and modernization. Existing lighting is limited, walkways are cracked, and the exterior shows visible weathering. These deficiencies increase fall risk, create dark corners around entrances, and contribute to resident concern about personal safety.

A resident meeting was held in the first month after acquisition, where concerns about building security were a major theme. Residents expressed that insufficient safety measures made them feel vulnerable in their homes. In response, MHP has begun addressing these concerns through enhanced key-card entry systems and door alarms to reduce unauthorized access. The proposed lighting, walkway, and landscape improvements will build on this feedback, furthering residents' sense of security.

According to the LexisNexis Community Crime Map (April–October 2025), the surrounding area has experienced recurring incidents, including theft (26 %), vandalism (15 %), burglary from motor vehicle (12 %), and simple assault (18 %). Crimes are most frequent during low-light hours, illustrating the need for improved exterior lighting.

The property's aging landscape and exterior also detract from the visual appeal of Rollins Avenue, which serves as a gateway to nearby transit and retail. Comparable properties offer outdoor areas that foster community interaction. By contrast, Bethany House's outdoor space is underutilized due to inadequate amenities.

This project addresses the unmet needs through repairs, efficient lighting, and revitalized landscaping, improvements that enhance accessibility, and promote neighborhood reinvestment consistent with the priorities for capital improvements and livability.

Project Need Attachments

Please compile attachments (including photos) into one pdf, doc or docx file. *If the attachments exceed the maximum file size, send them to Chuck Dunn, cdunn@rockvillemd.gov.*

Project Need Docs.pdf

Location of Project*

Where will this project be physically located? For projects, provide the address of the project; for programs, state the location from which the program will be operated. *Project activities should take place within the corporate limits of the City of Rockville.*

199 Rollins Ave, Rockville, MD 20852

Location of Project - Historic District*

Will this project be located in one of Rockville's Historic Districts? View the map of Rockville Historic Districts.

No

Service Area*

Is there a primary service area(s) for this project?

Yes

Service Area - Description

If you selected "yes" to the previous question, briefly describe the boundaries of the service area (e.g. by streets, neighborhoods, or census tracts). Answering "no" signifies that services are provided citywide without regard to location.

Bethany House serves residents within Census Tract 7009.04 in Rockville, MD, bounded by Rollins Avenue, Congressional Lane, East Jefferson Street, and Rockville Pike (MD-355). The tract's median household income ($91,136) is roughly 75 percent of Rockville's median, and 22.9 percent of residents, including over half of seniors, live below the poverty line, underscoring the need for safe, affordable senior housing.

(Source: U.S. Census Bureau, ACS 2023 5-year estimates via Census Reporter)

Service Area - Outside City of Rockville

If some people served come from outside the City of Rockville, please provide a breakdown of Rockville residents versus non-Rockville residents.

N/A

Number Served*

Estimate the total number of people or households who will directly benefit from this project.

250

Number LMI Served*

Estimate the total number of low- and moderate-income people or households who will directly benefit from this project. *See pg. 4 of the **APPLICATION INSTRUCTIONS** for the definition of "low- and moderate-income ("LMI")."*

250

Percentage LMI Served*

What percentage of the total people or households served are expected to be of low- and moderate-income. *See pg. 4 of the **APPLICATION INSTRUCTIONS** for the definition of "low- and moderate-income ("LMI")."*

100

Identify the source of your estimates*

MHP collects demographic data annually and at move-in for residents. Bethany House was acquired in July 2025 and is not included in MHP's 2024 report. The prior owner did not maintain comparable records. Current estimates are based on property management data since acquisition and will be verified through MHP's 2025 demographic update (available mid-2026). Estimate is based on 250 total units at 1.3–1.4 residents per unit typical for senior housing; current ≈250 residents, capacity up to ≈350.

Recruitment/Referral Process*

Describe how beneficiaries will be recruited or referred to the project or program.

MHP has a strong regional reputation for providing high-quality affordable housing, and many of our properties maintain active waiting lists. Bethany House currently does not have a waiting list, as several units are undergoing renovation to prepare for future lease-up. MHP anticipates that occupancy will reach full capacity as property improvements are completed.

MHP receives frequent referrals from local nonprofit and government partners seeking affordable senior housing for clients. Current and future tenants residing at Bethany House will directly benefit from the planned renovations. All future residents must meet the 62+ age requirement and qualify under applicable low-income limits. Marketing and resident selection will follow MHP's established policies and fully comply with all Affirmative Fair Housing Marketing and Equal Opportunity regulations.

Eligibility Process*

Describe how you will determine eligibility for the program and document that at least 70 percent of the housing units are occupied by LMI households or that 70 percent of the program's beneficiaries have low- or moderate-incomes, as defined by HUD.

MHP's property management partners follow a formal, compliance-based process to determine household eligibility for affordable rental housing. Applicant income and asset verification are conducted in accordance with the specific requirements of each property's funding and agreements. All applicable household members are included in the process, and re-certifications are completed only as required under each program's guidelines. These procedures ensure that income restrictions are met for each development.

Bethany House's financing and regulatory requirements ensure that more than 70 percent of occupied units are reserved for low- and moderate-income (LMI) households. Compliance is maintained through income

documentation and oversight from MHP's asset management team. Tenant income certifications completed in early 2026, as current leases renew, will verify that the property continues to meet or exceed the 70 percent LMI threshold as set forth by the loan's regulatory requirements.

Project Goals*

List the specific goals that you hope to achieve through this project; goals should be quantitative and measurable in nature. *The activity should have clearly stated goals and evaluation criteria that are specific, measurable, and realistic.*

The overarching goal of this project is to transform the exterior of Bethany House into a safe, attractive, and accessible environment that supports aging in place for low- and moderate-income seniors while enhancing the appearance of the surrounding Rollins Avenue corridor.

Specific and measurable goals include:
- Enhance safety and accessibility. Install new energy-efficient lighting, repair uneven walkways, and improve exterior visibility to reduce fall risk and increase perceived and actual safety for the building's 250 senior residents, their visitors, and the surrounding community. Success will be measured by completion of upgrades meeting ADA and local safety standards and by post-renovation resident surveys indicating increased feelings of safety.
- Improve curb appeal and neighborhood integration. Complete repairs, landscaping, and new signage to bring the property's exterior appearance in line with comparable affordable and market-rate senior communities. Measured outcomes include completion of all planned physical improvements and photographic documentation demonstrating enhanced visual quality from the street.
- Activate and beautify outdoor spaces. Develop and construct an outdoor amenity area with seating, tables, and plantings to encourage social interaction, exercise, and relaxation. Measured outcomes include installation of at least four new seating areas and landscaping upgrades.
- Promote long-term livability and resident well-being. Ensure that improvements support seniors' ability to age in place safely, comfortably, and with dignity, while contributing to neighborhood reinvestment and property value stabilization.

Collectively, these improvements will preserve 250 units of affordable senior housing, strengthen community safety and cohesion, and demonstrate visible reinvestment in a Rockville corridor consistent with the City's CDBG priorities for capital improvements and livability.

Action Plan

Quarterly Schedule: Any CDBG funds awarded should be fully expended within a 12-month period. *The activity should have a clear plan of action that is consistent with the budget and that demonstrates that the applicant has the capacity to implement the proposed plan.*

Describe the implementation plan for the project by listing a quarterly schedule of key activities / milestones and the corresponding draw down of CDBG funds in the following questions:

First Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

Host a resident meeting to gather input on outdoor safety, accessibility, and amenity preferences. Hire a qualified landscape designer to develop initial concepts that enhance visibility, mobility, and curb appeal. Define project scope and priorities in alignment with resident feedback and CDBG-eligible improvements.

Second Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

Finalize landscape and exterior design plans, incorporating safety and accessibility features. Prepare bid documents in compliance with procurement requirements. Solicit contractor bids, evaluate proposals, and select a general contractor for construction.

Third Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

Oversee construction of outdoor and exterior improvements, including lighting, walkway repairs, landscaping, and seating areas. Conduct site inspections to ensure quality, ADA compliance, and adherence to design specifications.

Fourth Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

Host a community meeting for residents to introduce new outdoor amenities. Conduct a post-completion satisfaction survey with residents and property management. Finalize close-out documentation and submit required reports to the City of Rockville.

First Quarter - $ Draw Down*

Estimate the draw down of CDBG funds in the quarter.

$3,416.80

Second Quarter - $ Draw Down*

Estimate the draw down of CDBG funds in the quarter.

$31,000.00

Third Quarter - $ Draw Down*

Estimate the draw down of CDBG funds in the quarter.

$40,583.20

Fourth Quarter - $ Draw Down*

Estimate the draw down of CDBG funds in the quarter.

$0.00

Budget and Leveraging

Project Budget Form*

1. Download the Budget Form (doc file).
2. Fill out the budget form and save it. Instructions are provided on page 1 of the packet.
3. Upload the completed form using the "upload a file" button below.

Bethany House Exterior Budget FY27.pdf

Expenditure Details*

Describe in detail types of expenditures CDBG will fund (i.e., labor, materials, etc.).

CDBG funds will be used exclusively for eligible capital improvements and related professional services at Bethany House. Expenditures will include:
- Professional services: Hiring a qualified landscape architect or designer to develop plans that enhance safety, accessibility, and aesthetics of the property's exterior and outdoor amenity spaces.
- Construction and materials: Costs associated with labor and materials for landscaping, installation of energy-efficient exterior lighting, pavement and walkway repairs, signage, seating, and related site work.
- Project management oversight: Time allocated to MHP's Real Estate Development Project Manager and Acting Director for procurement coordination, contractor oversight, and compliance with CDBG and Davis-Bacon requirements.

All costs will be documented and directly tied to the approved scope of work for exterior and site improvements.

Cost Estimate Details*

How did you determine the cost estimates included in the CDBG Project Budget Form?

Cost estimates were developed by MHP's Real Estate Development team based on comparable exterior and site-improvement projects recently completed at Forest Glen and Colonnade at the Creek. These projects included landscaping, lighting, and pavement upgrades of similar scope and quality. Because those sites involved broader redevelopment efforts and larger land areas, estimates for Bethany House were proportionally scaled to reflect a smaller footprint and more targeted improvements.

Unit costs for materials and labor were reviewed against recent contractor bids and historical data from MHP's capital projects to ensure accuracy. Final pricing will be confirmed through a competitive procurement process prior to construction.

Cost Estimate Details - Attachments

Upload any supporting documents for your cost estimates (including bids, research or past documentation for previous projects).

Davis-Bacon Labor Standards and Wages*

If you propose construction, rehabilitation, or acquisition activities, are the construction estimates incorporated into the project budget inclusive Davis-Bacon Labor Standards and Wages?

Yes

Site Ownership*

If you propose construction, rehabilitation, or acquisition activities, does your organization own the property or site?

Yes

Site Ownership or Lease Agreement

Evidence of site control.

- If yes to the previous question, provide evidence of ownership (deed and property tax records).
- If no to the previous question, provide a copy of the lease agreement and letter from the owner confirming the proposed activities are permitted and acceptable.

Land Use/Zoning*

If you propose construction, rehabilitation, or acquisition activities, does the project require a land use and/or zoning change?

Not Applicable

Land Use/Zoning - Details

If yes to the previous question, explain below.

N/A

Partial Funding*

In the past, the City has often provided partial funding for multiple projects instead of full funding for a few projects so that it could address numerous requests. Please describe, in detail, the specific changes that you will make to your project or scope of services if your project is partially funded.

If the project receives partial CDBG funding, MHP will adjust the project scope while maintaining the core goals of improving safety, accessibility, and curb appeal at Bethany House. Priority will be given to essential safety-related upgrades, including lighting, walkway, and pavement repairs. Landscaping enhancements and non-essential aesthetic features may be reduced or phased into a later stage as additional funding is secured.

MHP will actively pursue complementary funding sources, such as internal reserves, philanthropic contributions, or future grant cycles, to complete the full design intent. Regardless of award size, MHP is committed to ensuring that all CDBG-funded improvements meet high-quality standards and produce measurable benefits for residents and the surrounding community.

Prior CDBG Funding*

List any prior CDBG grants received for this project and include the following information:

- Source (Montgomery County or the City of Rockville)
- Year of the grant
- Grant amount
- Description of the activities funded

If your project has not received any CDBG funding, write in N/A.

This is the first request for CDBG funding for the Bethany House property at either the City or County level. MHP, however, has a long history of successful partnership with Montgomery County as a frequent recipient of CDBG funding for Community Life and Neighborhood Revitalization initiatives. These past projects demonstrate MHP's strong capacity to manage CDBG-funded activities in compliance with all federal and local requirements.

Leveraging*

Have you applied for funding from other sources for this project?

Yes

Leveraging Details*

- If yes to the previous question, to what entities have you applied? Indicate whether the funding is approved, pending or denied.
- If no to the previous question, why haven't you applied for other funding?

Because the Bethany House acquisition occurred recently, MHP has had limited time to pursue additional external sources; however, several requests are already in motion:

- Maryland Affordable Housing Trust (MAHT) – Application submitted (pending) to support resident services at Bethany House.
Two additional applications – In development for rehabilitation and resident services (pending).

- For acquisition and stabilization, Montgomery County's Non-Profit Preservation Fund (NPF) provided a $8,247,464 low-interest loan, secured by a Deed of Trust and Regulatory Agreement for the 250-unit Bethany House. Loan proceeds were used to refinance existing debt and fund approved preservation costs and are already being used on interior improvements to the building.

Loan documentation shows Christian Church Facilities for the Aging (CCFA) as the promisor. MHP assumed control of the board of CCFA (board resolution attached), enabling MHP to assume ownership/control and advance rehabilitation planning. This financing demonstrates MHP's ability to leverage County resources and mission-aligned partners to preserve affordability.

Requested City CDBG funds will be used solely for exterior/site capital improvements (lighting, walkways, landscaping, signage) and do not duplicate NPF uses. CDBG will complement the leveraged acquisition/preservation financing by delivering visible safety and accessibility upgrades that benefit current residents and support full lease-up.

Leveraged Funds #1

For approved funds, provide a copy of each commitment or award letter.

Leveraged Funds #2

For approved funds, provide a copy of each commitment or award letter.

Leveraged Funds #3

For approved funds, provide a copy of each commitment or award letter.

Volunteer or In-kind Contributions

If you will use volunteers or in-kind contributions for this project, please explain how:

MHP will contribute in-kind staff time from its Vice President of Real Estate and Project Manager, who will provide oversight, coordination, and quality assurance throughout the project. While no volunteer labor is planned, MHP's Real Estate and Asset Management teams will actively support implementation through resident engagement and communication efforts to ensure smooth execution and minimal disruption during construction.

Long-term Sustainability*

Explain, in detail, your long-term sustainability plan for this project. If you are proposing rehabilitation or construction activities, describe your long-term operation and maintenance plans for the project, including your plan to keep the housing affordable for LMI households (i.e., source of subsidy). If you are proposing a program, describe your plan for operating this program once CDBG funds are no longer available.

Bethany House is currently undergoing comprehensive rehabilitation. The renovation ensures the property will remain affordable to low- and moderate-income residents for at least 30 years, in compliance with federal affordability restrictions. The planned affordability mix includes 10% of units at 30% AMI, 10% at 40% AMI, 52% at 50% AMI, and 28% at 60% AMI, guaranteeing that 100% of households will be low-income.

MHP will maintain affordability and operational sustainability through a combination of long-term regulatory agreements, asset management, and reinvestment strategies. The organization maintains an internal reserve policy to fund ongoing maintenance and periodic upgrades across its portfolio. Bethany House will be incorporated into this portfolio-wide asset management schedule, which includes annual inspections, preventive maintenance plans, and capital replacement reserves funded through operating income.

The CDBG-funded exterior improvements, including exterior repairs, landscaping, lighting, and safety enhancements, were intentionally selected because they have long useful lives and modest maintenance requirements. These upgrades will immediately improve quality of life for residents and the surrounding neighborhood while requiring minimal ongoing cost.

As part of MHP's long-term vision, the acquisition also included an adjacent parcel that may support future affordable housing development. Each phase of the project will leverage a mix of LIHTC equity, public and private grants, and other financing tools to preserve and expand affordability for Rockville residents well into the future.

Key Staff and Partnerships

Key Staff Instructions: Provide the name and list of information below for each key staff person who is responsible for carrying out your program's CDBG action plan.

Name - Key Staff #1*

Alex Crosby

Project Role - Key Staff #1*

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

Role: Project Manager
Years with MHP: 1 year
Time on project: ≈ 15%
Responsibilities/Experience: Oversees design, contractor procurement, and construction for Bethany House. Brings nearly a decade of experience in affordable housing finance, underwriting, and development management. Previously managed LIHTC and mixed-income projects across the Mid-Atlantic, coordinating design, budgeting, and compliance from acquisition through closeout.

Name - Key Staff #2

Alan Goldstein

Project Role - Key Staff #2

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

Role: Acting Director of Real Estate
Years with MHP: 1
Time on project: ~10%
Responsibilities/Experience: Provides executive oversight of design, procurement, and construction for Bethany House. Brings deep background in LIHTC, acquisition/rehab, and public–private partnerships,

including faith-based joint ventures and large-scale preservation across the region; former investment banker for state HFAs.

Name - Key Staff #3

Stephanie Roodman

Project Role - Key Staff #3

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

Role: Vice President of Real Estate
Years with MHP: 18 years (2006 – present)
Time on project: ≈ 5%
Responsibilities/Experience: Provides executive oversight and legal review for acquisitions, financing, and rehabilitation. More than 25 years of affordable-housing experience including tax-credit structuring, loan closings, and regulatory compliance.

Additional Staff

Provide a list of additional staff and their role for this project.

N/A

Partnerships*

Will you enter into a partnership with any other organization(s) to undertake this project?

Yes

Partnership Details

If “yes,” please list the organization(s) and its contribution(s).

MHP will partner with Habitat America, the property management company currently overseeing day-to-day operations at Bethany House. Habitat America plays a key role in supporting resident engagement, facilitating communication regarding planned improvements, and coordinating logistics during construction to minimize disruption for residents.

MHP will also engage a qualified landscape architect and general contractor through a competitive procurement process to design and implement the exterior improvements. These partners will collaborate closely with MHP’s Real Estate Development team to ensure that all work aligns with resident needs, accessibility standards, and CDBG requirements.

Together, these partnerships ensure professional execution, regulatory compliance, and a resident-centered approach throughout the project.

Experience and Organizational Capacity

Organization's Mission*

Describe your organization’s mission and how the proposed project fits in with your organization’s mission and current activities.

We are MHP serving 6,000 residents of Montgomery County and neighboring communities by providing 3,250 quality affordable homes. We are a nongovernmental entity. The organization is committed to housing people, empowering families, and strengthening neighborhoods. Since 1989, MHP’s mission has been to preserve and expand access to quality, affordable housing.

We advance our mission through three key strategies:
- By acquiring, rehabilitating, building and managing quality affordable housing.
- By developing and implementing community life programs to improve the quality of life and increase opportunities for our residents.
- By collaborating with concerned citizens and businesses, public officials and community organizations to build strong, vital neighborhoods.

Bethany House, the most recent acquisition in our portfolio, exemplifies our mission by preserving affordable housing, promoting safety and dignity for residents aging in place, and enhancing the Rockville community.

Organization's Founding Date*

List the date or year your organization was established.

1989

Number of Full-time Staff*

Number of full-time paid staff in your organization.

43

Number of Part-time Staff*

Number of part-time paid staff in your organization.

51

Organizational Chart*

Provide a copy of your current Organizational Chart.

Current - Organization Chart 9.2025.pptx

New Staff*

Will a consultant(s) or contract staff be hired to help implement the project?

No

Number of NEW Full-time Staff*

Number of new staff who will be hired to work on the project, if funded.

0

Number of NEW Part-time Staff*

Number of new staff who will be hired to work on the project, if funded.

0

New Staff - Details

If "yes," please explain the services the consultant or contract staff will offer (**NOTE:** If the project is funded, any subcontracts entered into are subject to approval by the City of Rockville Department of Housing and Community Development):

N/A

County or City Funding*

Do you currently receive, or are you applying for funding through other County or City agencies?

Yes

County or City Funding - Details

If "yes," provide information on the activity, the amount, and what agency:

MHP is currently preparing an application for the City of Rockville Community Services and Enrichment (CSE) Grant to support resident services at Bethany House. This request complements proposed CDBG-funded exterior improvements.

As a long-standing partner of Montgomery County, MHP has received multiple grants, including:
-A $9,000 Placemaking Microgrant from the Silver Spring Regional Office for a public mural in Lyttonsville.
-A $158,444 Place-Based Management Grant to support Neighborhood Revitalization efforts on Long Branch Main Street.
- Variable-amount CHDO funding and Community Life grants supporting homework clubs.

We are also awaiting results on two pending County CDBG requests: FY26 for homework clubs and FY27 for Community Life summer camps.

MHP has an established record of successfully managing County grants in full compliance with all reporting and fiscal requirements.

Organization Budget*

Attach a copy of your organization's annual budget for the current year.

2025 MHP Budget.pdf

Organization Audit*

Attach a copy of the organization's most recent audit.

MHP Audit 2024.pdf

Past Performance*

Have you received CDBG funds for a project of similar activities, size, and complexity in the past? (If no, skip next 3 questions)

No

Past Performance - Project Description

If yes to the "past performance" question, which project(s) and what year(s)?

N/A

Past Performance - Project Time

If yes to the "past performance" question, did you expend CDBG funds in a timely manner?

Past Performance - Project Goals

If yes to the "past performance" question, did you meet performance goals for the project?

Past Performance - Non-CDBG Projects

If No to the "past performance" question, describe a past project of similar activities, size, and complexity where your organization used local, state, or Federal funding. Describe whether you met expenditure deadlines, performance measures, and compliance requirements, such as Davis Bacon or Section 3.

MHP has extensive experience managing County, State, and Federal funds in full compliance with reporting, expenditure, and labor standards requirements, including Davis–Bacon. Maintaining strong relationships and good standing with public agencies is central to MHP's operations, as future funding depends on timely performance and fiscal accountability.

MHP employs a Grants Manager and Advancement Associate to track drawdowns, reporting deadlines, and compliance documentation across all contracts. The organization regularly manages grants through the Maryland Department of Housing and Community Development (DHCD), Montgomery County Department of

Housing and Community Affairs (DHCA), and other government partners, consistently meeting quarterly reporting and spend-down targets.

A comparable project to Bethany House is Franklin Apartments, a 185-unit senior and disability community in Takoma Park acquired and preserved by MHP in 2022. The project involved complex financing and rehabilitation similar in size and scope to the proposed work at Bethany House. MHP successfully executed all acquisition and compliance milestones on schedule, leveraging philanthropic support from the Robert I. Schattner Foundation.

Recent public awards include:
- Maryland DHCD – SRP Grant ($250,000 2024) for Parkview Towers rehabilitation.
- Montgomery County DHCA – CHDO Contract (FY25) supporting HOME projects portfolio-wide.
- Maryland DHCD – MEEHA Grant ($484,364, 2025) for Blair Park energy upgrades.
- Enterprise Section 4 HUD Capacity Grant ($45,000, 2023) for Amherst project staffing.

All projects were implemented within contractual timelines, budgets, and regulatory requirements, reinforcing MHP's proven capacity to manage complex, federally assisted housing rehabilitation projects.

Application Certification and Signature

Application Certification*

"I certify that I have reviewed this application and that, to the best of my knowledge and belief, all of the information provided in this application is true."

In lieu of a signature, provide the name and title of an authorized representative.

Robert Goldman, President

File Attachment Summary

Applicant File Uploads

- MHP IRS Tax Exempt Ltr.pdf
- Project Need Docs.pdf
- Bethany House Exterior Budget FY27.pdf
- Current - Organization Chart 9.2025.pptx
- 2025 MHP Budget.pdf
- MHP Audit 2024.pdf

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
31 HOPKINS PLAZA
BALTIMORE, MD 21201

DEPARTMENT OF THE TREASURY

Date: MAY 24 1994

Employer Identification Number:
52-1631939
Case Number:
524130044
Contact Person:
M MCCARTHY
Contact Telephone Number:
(410) 962-7756
Our Letter Dated:
September 26, 1989
Addendum Applies:
Yes

MONTGOMERY HOUSING PARTNERSHIP INC
WHEATON PLAZA S STE 503
WHEATON, MD 20902

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Paul A. Thurnigton

District Director

Enclosure:
Addendum

MONTGOMERY HOUSING PARTNERSHIP INC

Guidelines under which private foundations may rely on this determination, for gifts, grants, and contributions made after March 13, 1989, were liberalized and published in Rev. Proc. 89-23, Cumulative Bulletin 1989-1, page 844.

You are required to make available for public inspection a copy of your exemption application, and supporting documents, and this exemption letter. If you are required to file an annual information return, you are also required to make a copy of the return available for public inspection for three years after the return is due. Failure to make these documents available for public inspection may subject you to a penalty of $10 per day for each day there is a failure to comply (up to a maximum of $5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

MHP Making Home Possible

12200 Tech Road, Suite 250, Silver Spring, MD 20904-1938 | P: 301-622-2400 | F: 301-622-2800 | mhpartners.org

MHP Project Need Documentation
for City of Rockville FY27 CDBG Application

1. Property Photos 2-6
2. Current and Projected Area Median Income Unit Breakdown 7
3. LexisNexis Community Crime Map Pie Chart 8
4. Census Tract Data 9-11

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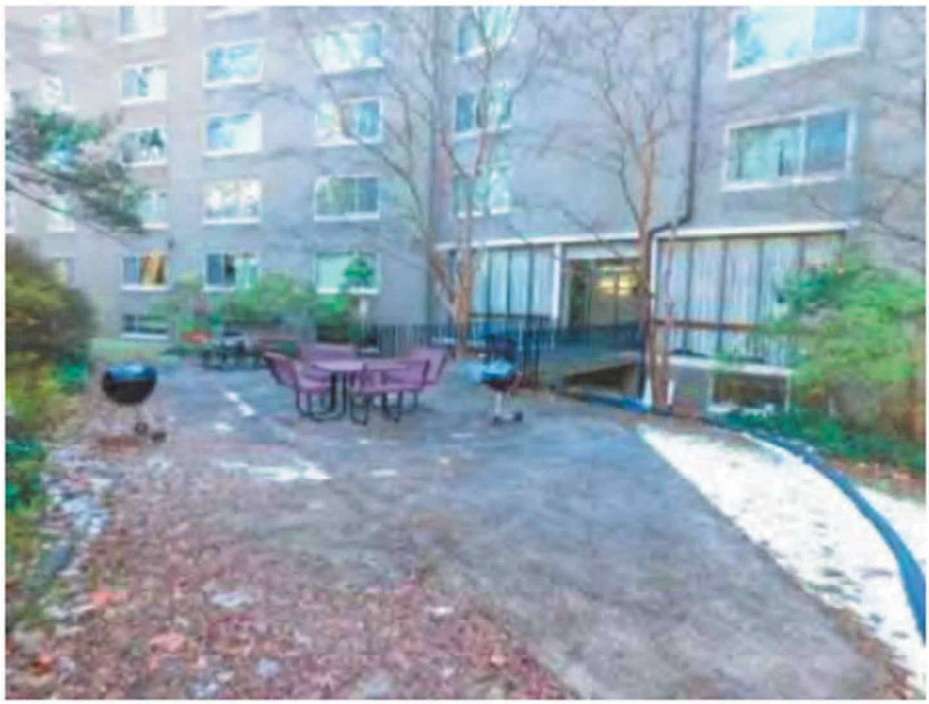
Property Photos Courtesy of Building Consultants
Physical Needs Assessment March, 2025

1	View of Building from Rollins Avenue.

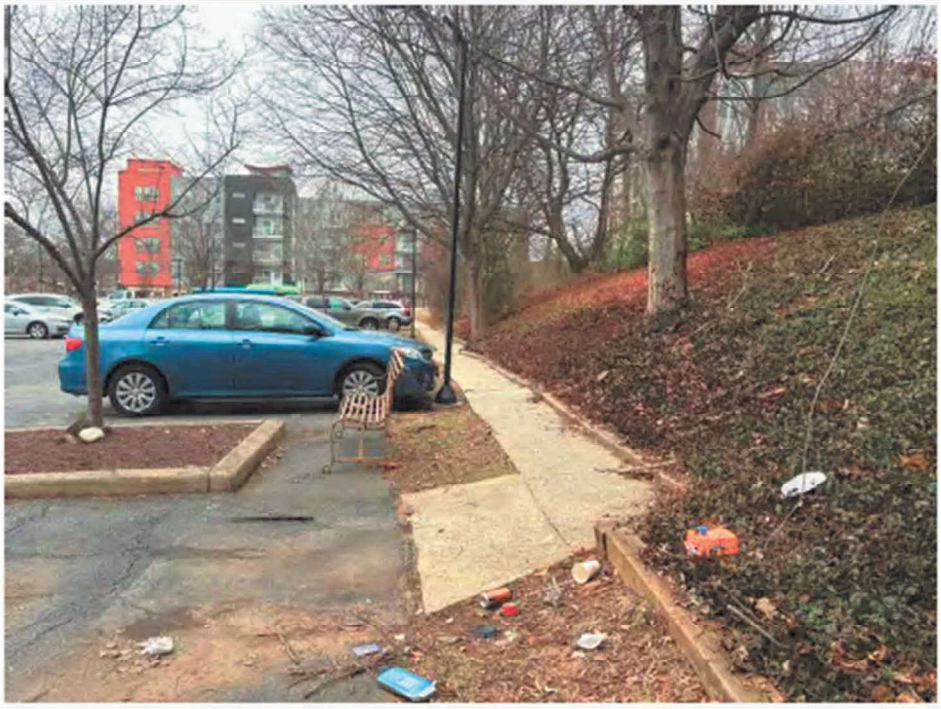
4	View of entry canopy.

8	View of patio and ramp from rear access.

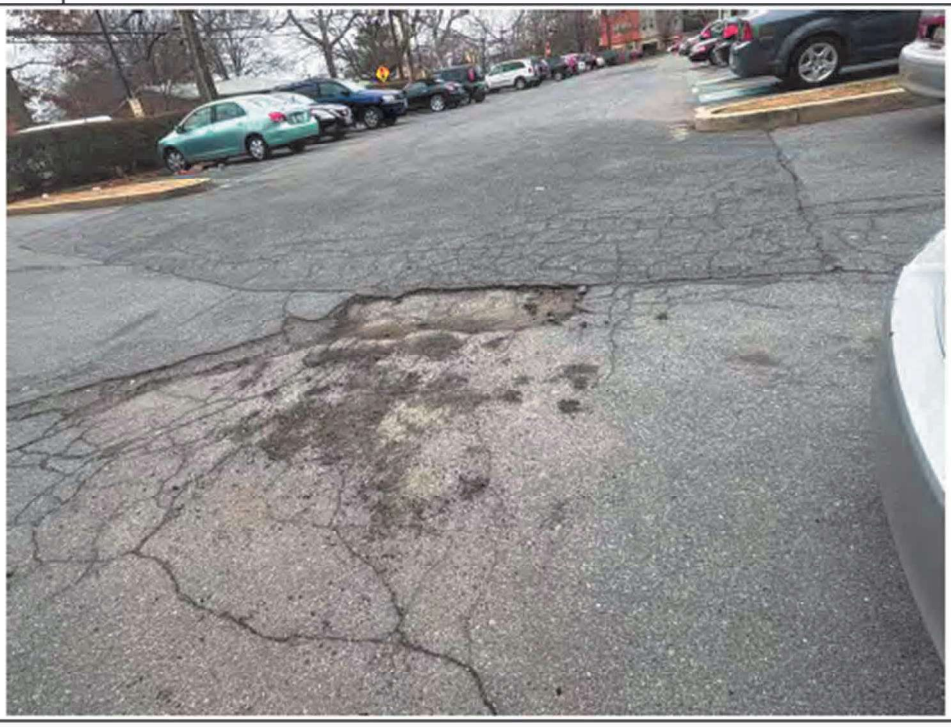


12	Areaway access to basement/retaining wall/railing.

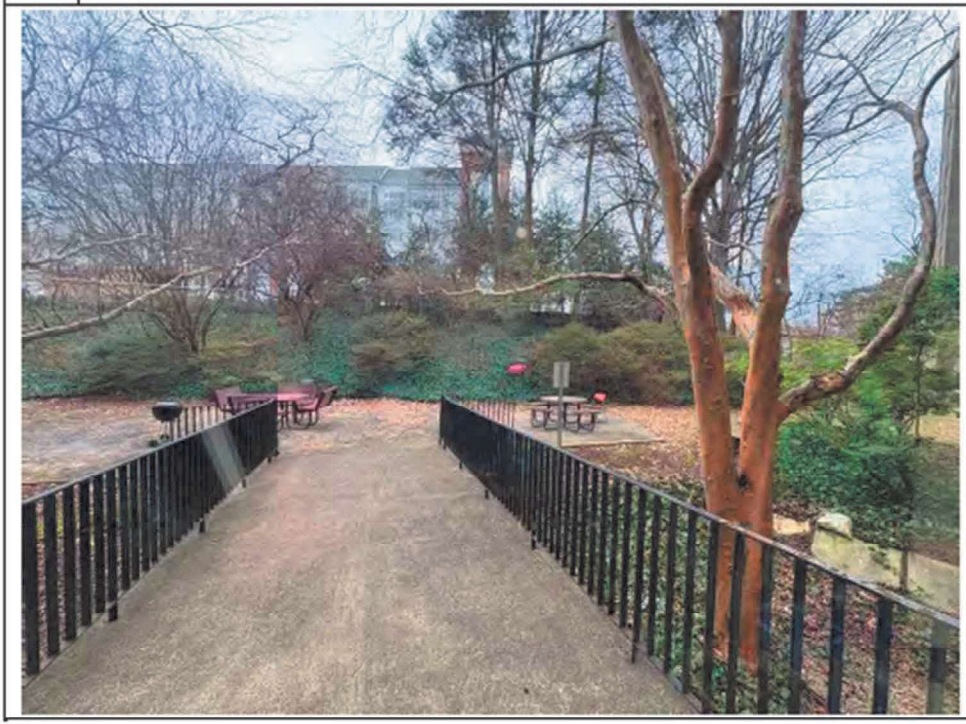
14	Concrete sidewalk along eastern side of parking lot.



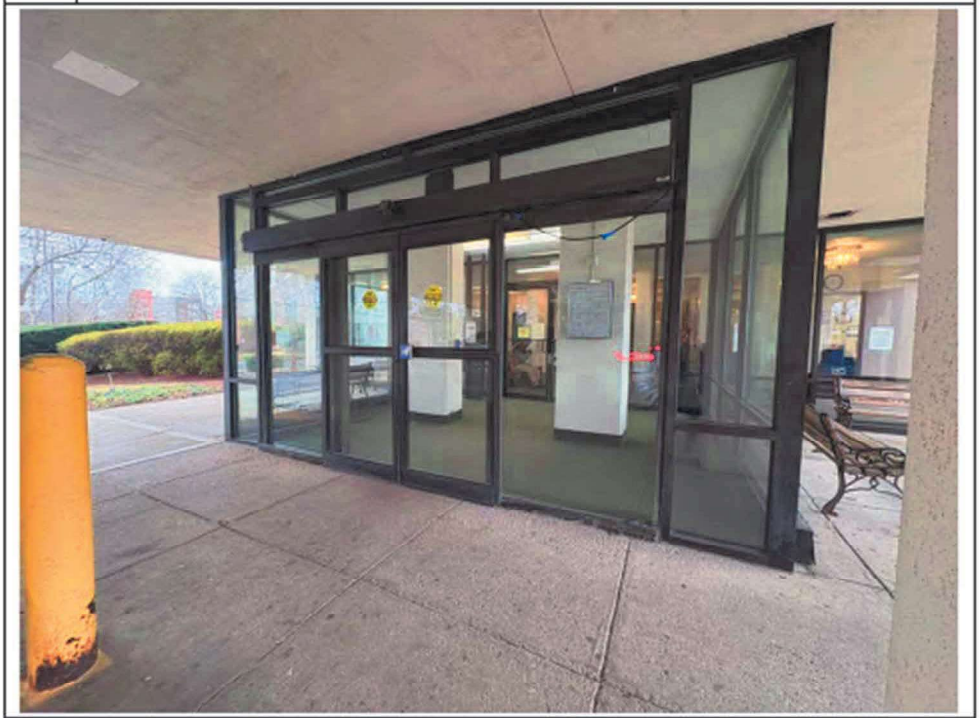
16	Cracks observed in asphalt sections throughout.



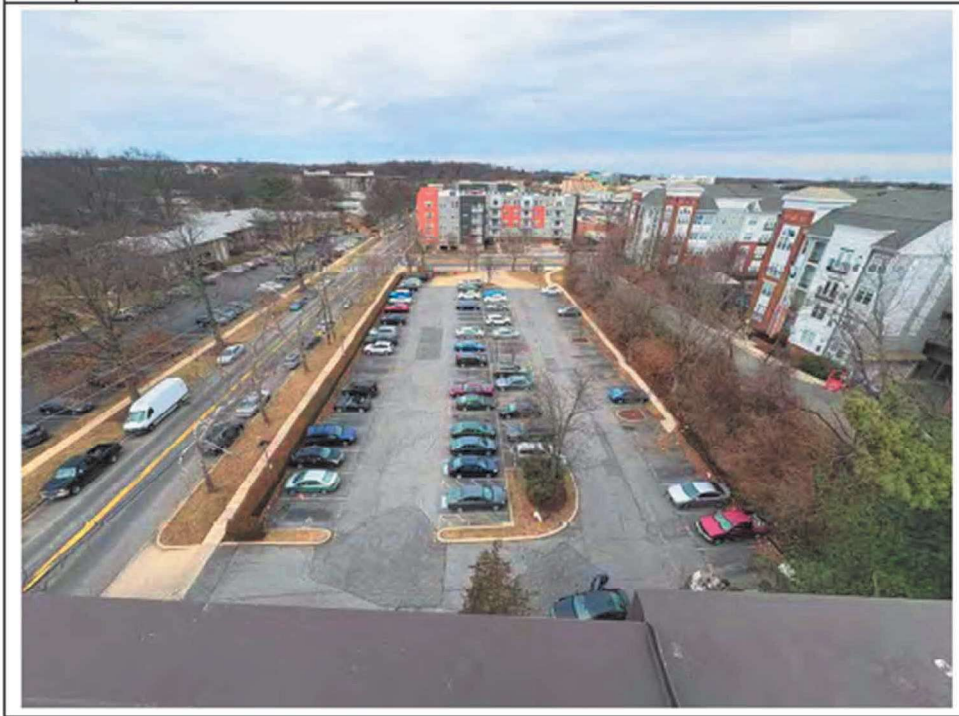
26	Ramp and amenity patio with picnic tables.



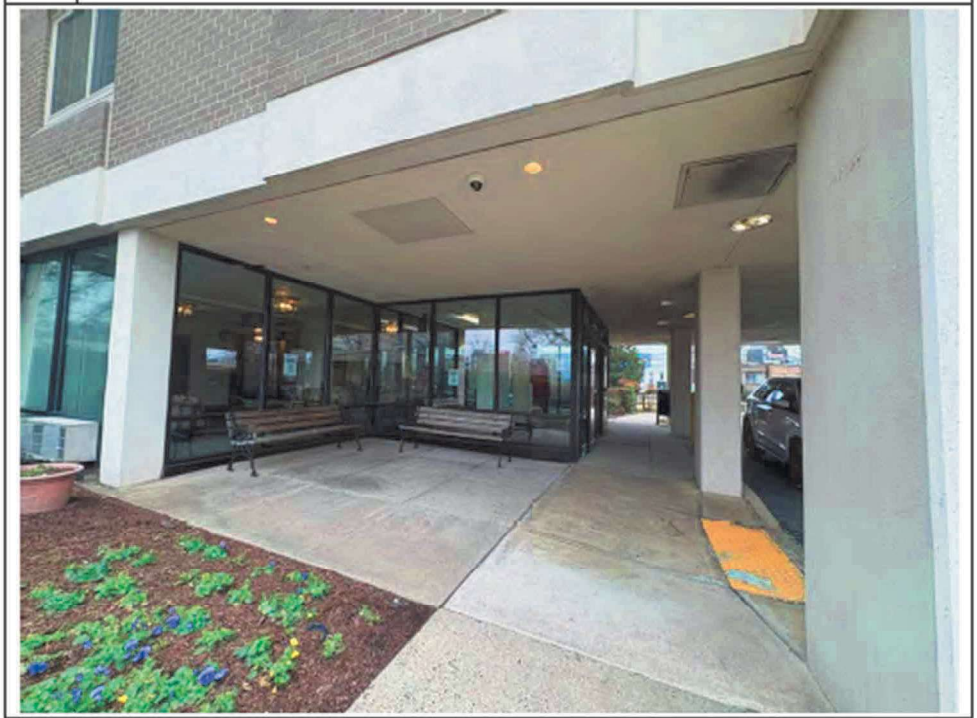
17	Storefront entrance.



13	View of north parking lot from the roof.



9	Storefront entrance with benches.



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Bethany House Units by Area Median Income

Current

In Place (Assumed based on rent prices)

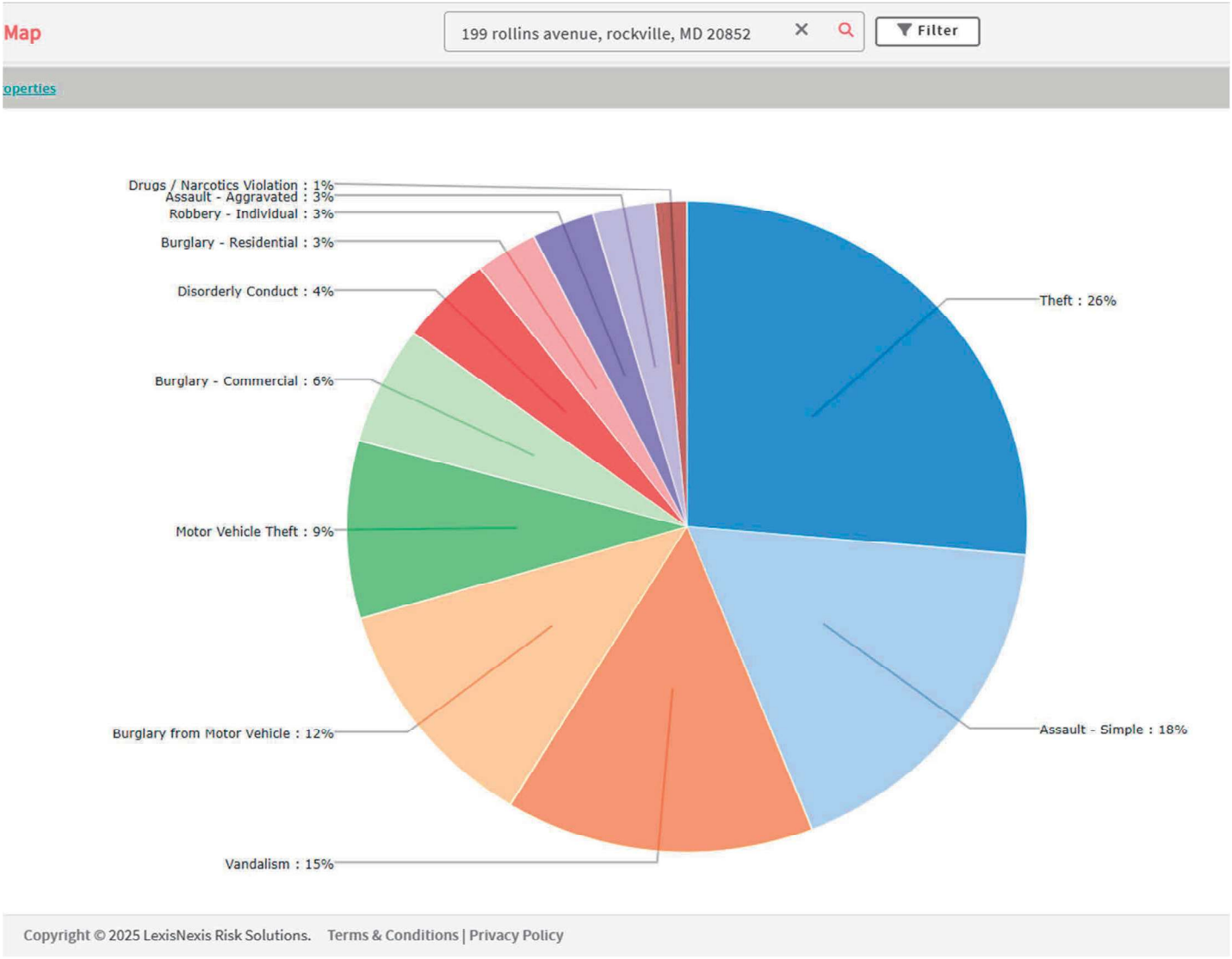
AMI	0	1	2	Total	%
30% Ami	95	27	0	122	49%
40% Ami	18	64	0	82	33%
50% Ami	0	6	1	7	3%
60% Ami	0	8	2	10	4%
Vacant	19	8	2	29	12%
Total	132	113	5	250	100%

Proposed

Affordability planned for LIHTC Renovation

AMI	0	1	2	Total	%
30% Ami	13	11	1	25	10%
40% Ami	13	11	1	25	10%
50% Ami	69	60	2	131	52%
60% Ami	37	31	1	69	28%
Total	132	113	5	250	100%

Rollins Avenue Surrounding Area Crime Pie Chart
Source: LexisNexis Community Crime Map April-October 2025



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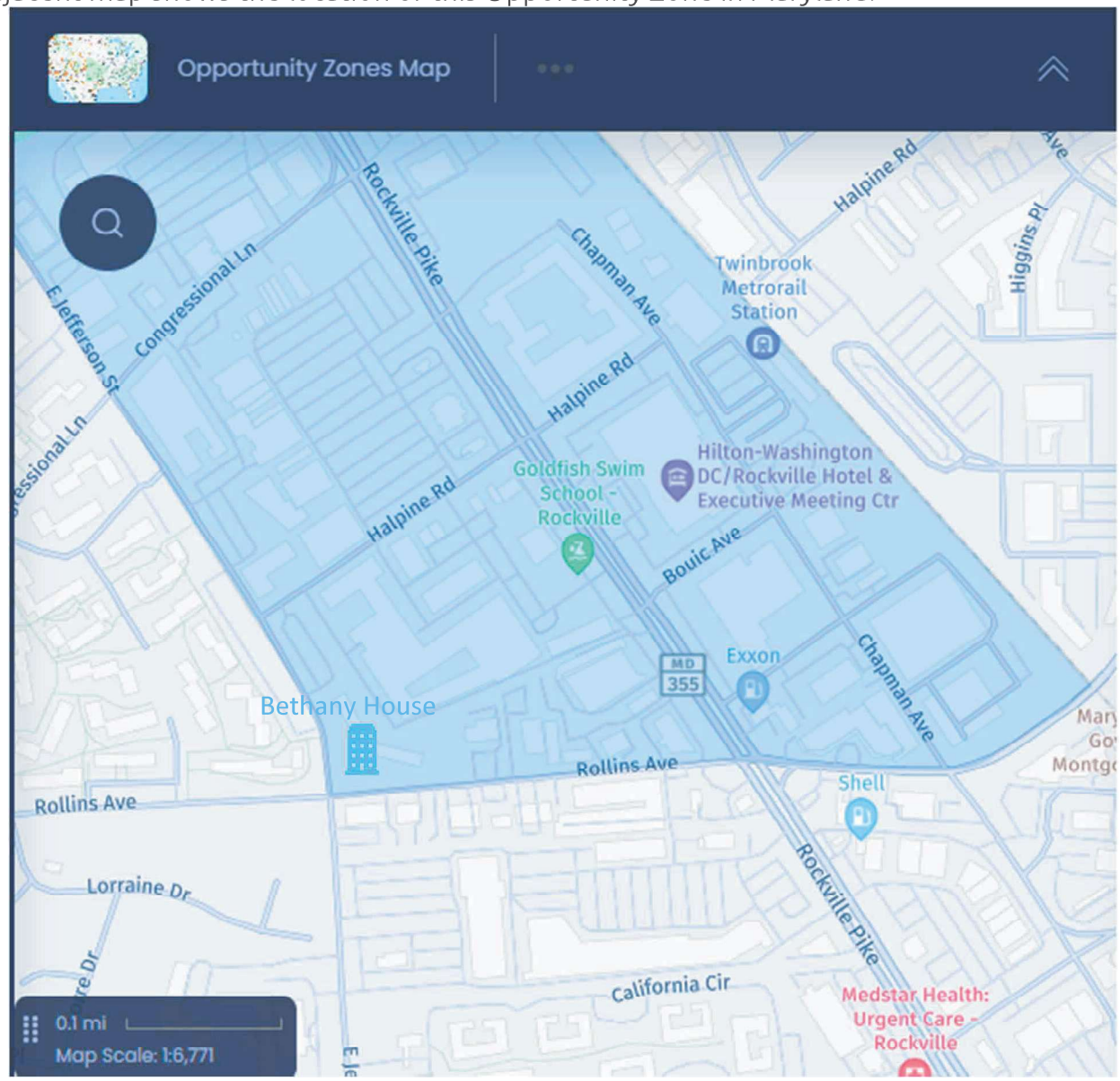
199 Rollins Avenue, Rockville, MD 20852
Census Tract # 7009.04 Source: OpportunityZones.com

Census Tract 7009.04, Rockville, Maryland
Census Tract 7009.04 is a Low-Income Community Opportunity Zone located in Rockville, Maryland . This 0.4 square mile census tract has a population of approximately 3,400 and is one of 14 Opportunity Zones in Montgomery County .
The adjacent map shows the location of this Opportunity Zone in Maryland.



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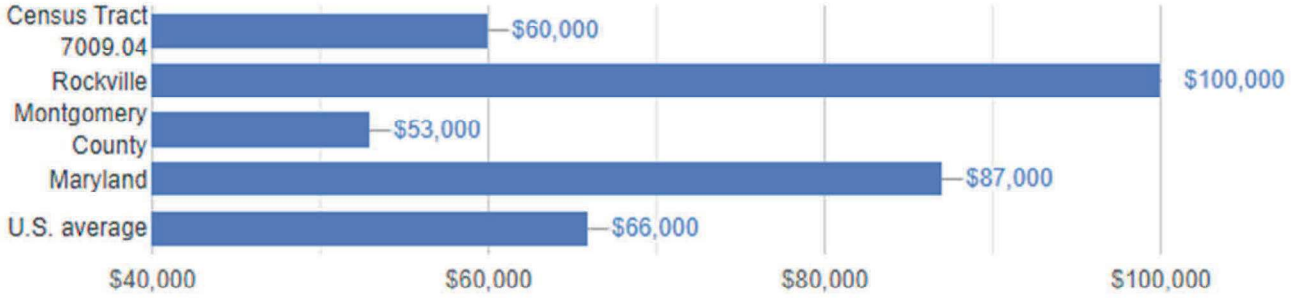
Census Tract 7009.04 Demographics

The charts below illustrate how this Opportunity Zone compares to the broader city, county, and state on various socioeconomic indicators:

Median Household Income

$60K

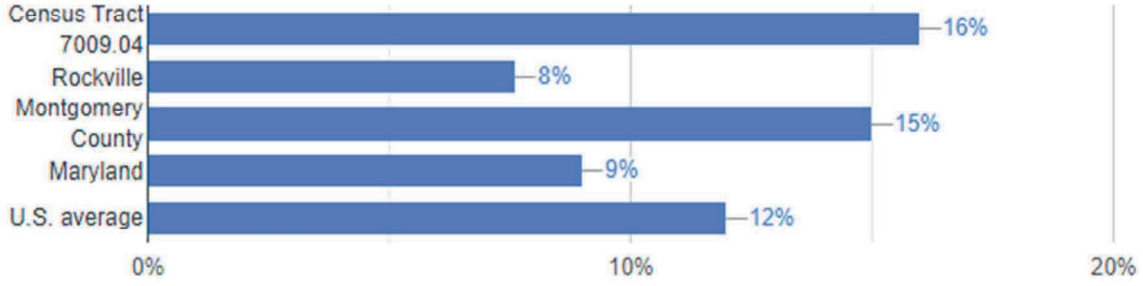
This Opportunity Zone has a **median household income** of approximately **$60,000** , which is **31% lower** than the median household income for the state of Maryland of **$87,000** .



Poverty Rate

16%

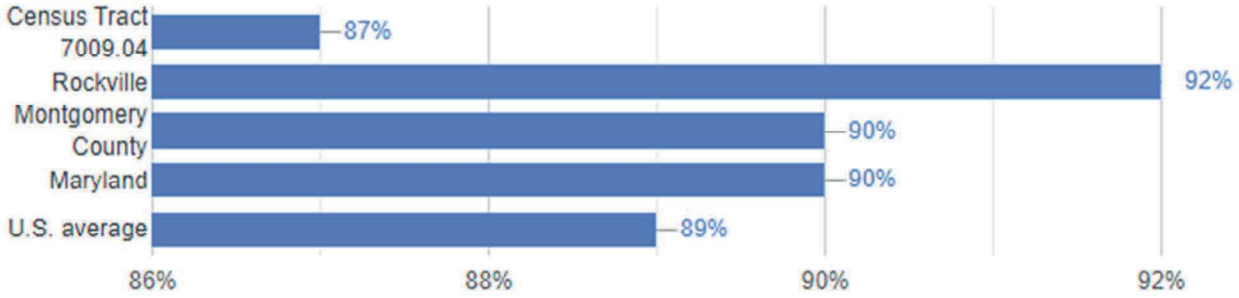
The percentage of households below the poverty line in this Opportunity Zone is **16%** , which is **7% higher** than the rate for the state of Maryland of **9%** .



Education

87%

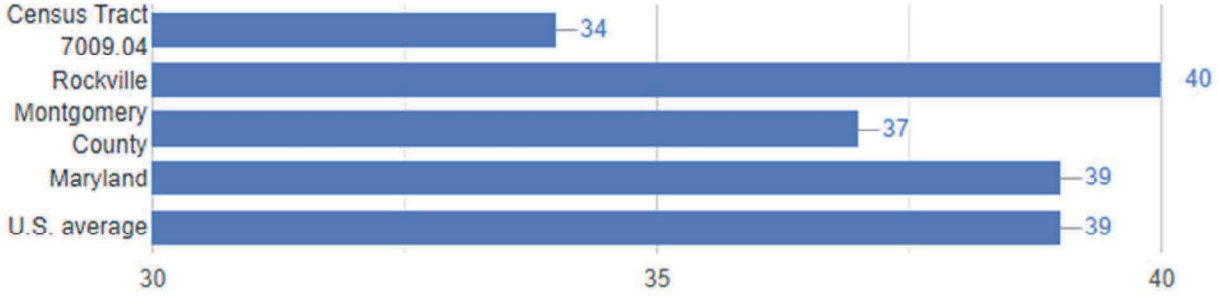
This Opportunity Zone has a **percentage of population with high school diploma** of approximately **87%** , which is **3% lower** than the rate for the state of Maryland of **90%** .



Median Age

34

This Opportunity Zone has a **median age** of approximately **34** , which is **13% lower** than the median age for the state of Maryland of **39** .



CDBG Project Budget Form

ORGANIZATION NAME: Montgomery Housing Partnership, Inc.

PROJECT NAME: Bethany House Exterior

INSTRUCTIONS

Provide the total budget of the proposed CDBG project, subdivided by activity costs.

Request only the level of CDBG funding needed to carry out the project. The grant request must be sufficient either by itself or included with other proposed funding sources to assure effective administration and completion of the proposed project within the contract period.

List the allocation of CDBG funds among project costs in the Source 1 column and the allocation of other funding sources (as well as the name and amount of the source) in the other columns.

Only complete budget line items that apply to your project. Add additional rows, if needed. If your project has more than four sources, use a second sheet budget sheet.

CDBG Project Budget Form					
Sources					
	Source 1	**Source 2**	**Source 3**	**Source 4**	**Totals**
Name of Source	**CDBG**	MHP and other sources			
Is the source firmly committed? If yes, must provide award or commitment letter		☐ Yes ☒ No	☐ Yes ☐ No	☐ Yes ☐ No	
Amount	$75,000				
Uses					
Personnel	**Source 1: CDBG**	**Source 2:**	**Source 3:**	**Source 4:**	**Total**
Project Manager $55.29 x 40 hours	$2,211.60				$2,211.60
[List job title and salary]					
[List job title and salary – add more lines if needed]					
Fringe Benefits	PM: $371.60				$371.60
Personnel Total	$2,583.20				$2,583.20
Construction/ Rehabilitation	**Source 1: CDBG**	**Source 2:**	**Source 3:**	**Source 4:**	**Total**
Acquisition					
Architectural, Planning, and Engineering	$2,416.80	$7,583.20			$10,000
Fees (permits, etc.)					
Professional Services		$3,000			$3,000
Construction/rehab					
Demolition					
Other Landscaping	$30,000	$10,000			$40,000
Other Hardscaping	$30,000	$10,000			$40,000
Other Outdoor Amenities	$10,000	$30,000			$40,000
Construction/ Rehab Total	$72,416.80	$60,583.20			$133,000

Program Operating Costs	**Source 1: CDBG**	**Source 2:**	**Source 3:**	**Source 4:**	**Total**
Supplies					
Rent/Lease					
Insurance					
Printing					
Communications (Telephone, internet, etc.)					
Travel					
Other					
Other					
Prog. Operating Total					
Project Total	$75,000	$60,583.20			$135,583.20

Robert Goldman, PRESIDENT

Kimberly Schor, Assistant to the President

ASSET MANAGMENT

- Tameka Webb
  Director of AM
- Nancy Rhyne
  Senior Asset Manager
- Alex Wonasue
  Senior Asset Manager
- Fabian Castillo Diaz III
  Construction Asset Manager
- Maya Hopkins
  Intern

REAL ESTATE

- Stephanie Roodman
  VP of Real Estate
- John Poyer
  Director of Real Estate
- Alan Goldstein
  Director of Real Estate Consultant
- Nate Robbins
  Senior Project Manager
- Kal Makonnen
  Project Manager
- Beth Seward
  Project Manager
- Alex Crosby
  Project Manager
- Devon Rogers
  Development Associate

FINANCE

- Jennifer Rudolph
  CFO
- Celine Liang
  Controller
- Samuel Wakamu
  Sr. Accountant
- Rosa Aleman
  Sr. Staff Accountant
- Joanna Perez-Zavala
  Project Accountant
- Tsion Kebede
  Project Accountant
- Yosselin Argueta
  AP/AR Specialist

COMMUNITY LIFE

- Sulema Middleton-Stewart
  VP of Community Life
- Cleydi Pacheco
  Director of Resident Services
- Estela Giron
  Director of Resident Services
- Nora Ortiz
  Program and Data Coordinator
- Emeli Oliva
  Program Manager
- Violeta Martell
  Program Manager
- Carlos Iglesias
  Senior Program Manager
- Sinergy Martel
  Program Manager
- Kidist Kassie
  Program Coordinator

ADVANCEMENT

- Eva Dillon
  VP of Advancement
- Ilana Guttin
  Communications/ Volunteer Manager
- Elizabeth McCall
  Grants Manager
- Jaimee Goodman
  Major Gifts Director
- Hatab Fadera
  Communications Associate
- Lauren Hoke
  Advancement Associate

OPERATIONS

- William Highsmith
  VP of Operations
- Kala Mitchell
  Office Administrator

NEIGHBORHOODS

- Chris Gillis
  Policy & Neighborhood Development Director
- Fatima Coreas
  Community Engagement Team Leader
- Brownette Suku
  Codhcd protalmmunity Engagement Specialist
- Paul Grenier
  Community Economic Development Specialist
- Cristina Perez
  Community & Small Business Project Manager
- Ali Khademian
  Apartment Assistance and Sustainability Program Manager

Montgomery Housing Partnership, Inc.
2025 Budget

	YE 2024 Reforecast	2025 Budget	2026 Projection	2027 Projection	2028 Projection	2029 Projection
REVENUES						
DEVELOPMENT FEES						
Development fees - Amherst Square	-	-	$ 1,200,000	$ -	$ 3,000,000	$ -
Development fees - Forest Glen 4%	1,818,062	175,000	-	-	-	-
Development fees - Forest Glen 9%	1,667,670	125,000	-	-	-	-
Development fees - 515 Thayer	-	-	-	-	-	-
Development fees - Colonnade	-	-	-	-	-	-
Development fees - Nebel Street 4%	567,226	2,581,432	665,623	-	-	-
Development fees - Nebel Street 9%	476,000	949,909	174,236	-	-	-
Development fees - North Fred. Ave	1,199,276	128,788	-	-	-	-
Development fees - Rollingwood Apartments	-	739,500	-	739,500	2,367,100	-
Development fees - Worthington Woods	1,429,736	2,626,501	751,305	-	-	-
Development fees - Other/Future Projects	-	50,000	787,500	4,287,500	500,000	5,500,000
Total development fees	$ 7,157,970	$ 7,376,130	$ 3,578,664	$ 5,027,000	$ 5,867,100	$ 5,500,000
CONTRIBUTIONS / DONATIONS						
Contributions - Individuals	630,000	700,000	$ 700,000	$ 700,000	$ 700,000	$ 700,000
Contributions - Workplace giving	5,900	2,500	-	-	-	-
Contributions - Organization	160,634	20,000	10,000	10,000	10,000	10,000
Contributions - Foundation / Grant	874,500	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Contributions - Corporate	688,000	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000
In Kind Donations	20,000	20,000	30,000	30,000	30,000	30,000
Total contributions/donations	$ 2,379,035	$ 2,742,500	$ 3,240,000	$ 3,240,000	$ 3,240,000	$ 3,240,000
PROPERTY FEES						
Asset Management fees	433,990	400,000	412,000	424,000	436,000	449,000
Incentive Management fees	975,615	950,000	950,000	950,000	950,000	950,000
Community Activity Fees- Properties	402,879	350,000	360,000	370,000	381,000	392,000
Total property fees	$ 1,812,483	$ 1,700,000	$ 1,722,000	$ 1,744,000	$ 1,767,000	$ 1,791,000
CONTRACTUAL SERVICES						
Government - Contractual Services	1,317,829	1,500,000	$ 1,500,000	1,545,000	1,591,000	1,638,000
Total grants / contracts	$ 1,317,829	$ 1,500,000	$ 1,500,000	$ 1,545,000	$ 1,591,000	$ 1,638,000
OTHER SOURCES OF REVENUES						
Special Events - Golf	68,905	80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000
Interest - investment/loan income	815,751	800,000	800,000	800,000	800,000	800,000
Investment income	280,921	72,000	72,000	72,000	72,000	72,000
Miscellaneous	5	-	-	-	-	-
Forgiveness of Debt	-	-	-	-	-	-
Total other revenues	$ 1,165,582	$ 952,000	$ 952,000	$ 952,000	$ 952,000	$ 952,000
TOTAL REVENUES	$ 13,832,899	$ 14,270,630	$ 10,992,664	$ 12,508,000	$ 13,417,100	$ 13,121,000
	-					
EXPENSES						
SALARIES / BENEFITS						
Salaries Wages	$ 3,941,392	$ 5,271,000	$ 5,535,000	$ 5,702,000	$ 5,874,000	$ 6,051,000
Employee Discret. Benefits Compens.	-	11,000	12,000	13,000	14,000	15,000
Bonus (Annual)	135,500	161,000	170,000	176,000	182,000	188,000
Payroll Taxes FICA & SUTA	310,702	362,000	381,000	393,000	405,000	418,000
Employee Benefits 403B - Match	126,709	203,000	214,000	221,000	228,000	235,000
Employee Benefits- Health, dental, vision	492,114	618,000	649,000	669,000	690,000	711,000
Employee Benefits- Life, LTD, STD	66,280	59,800	63,000	65,000	67,000	70,000
Worker's Compensation	5,974	17,000	18,000	19,000	20,000	21,000
Total wages / benefits	$ 5,078,671	$ 6,702,800	$ 7,042,000	$ 7,258,000	$ 7,480,000	$ 7,709,000
COMMUNITY LIFE						
Contract Employees Wages	281,104	346,000	364,000	375,000	387,000	399,000
Payroll taxes - FICA & SUTA	24,641	26,000	28,000	29,000	30,000	31,000
Transportation	-	15,000	16,000	17,000	18,000	19,000
Food	52,642	60,000	63,000	65,000	67,000	70,000
Supplies	83,035	90,000	95,000	98,000	101,000	105,000
Contractors / Temporary help	36,850	40,000	42,000	44,000	46,000	48,000
CL Miscellaneous Events	20,080	30,000	32,000	33,000	34,000	36,000

Montgomery Housing Partnership, Inc. 2025 Budget						
	YE 2024 Reforecast	2025 Budget	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Total community life expenses	$ 498,352	$ 607,000	$ 640,000	$ 661,000	$ 683,000	$ 708,000
PROGRAM COSTS						
Legal Fees	25,636	45,000	47,000	49,000	51,000	53,000
Professional Consulting Fees	344,443	428,000	441,000	455,000	469,000	484,000
Construction Administrative Services	117,105	231,000	238,000	246,000	254,000	262,000
Temporary Services / Stipends	65,318	85,000	88,000	91,000	94,000	97,000
Recruitment	126,359	75,000	78,000	81,000	84,000	87,000
Conference and Training	50,000	50,000	52,000	54,000	56,000	58,000
Meeting Expense	7,500	7,500	8,000	9,000	10,000	11,000
Parking and Mileage	5,618	6,000	7,000	8,000	9,000	10,000
Dues and Subscriptions	100,000	104,000	108,000	112,000	116,000	120,000
Fundraising Exp	67,573	105,000	74,000	77,000	80,000	83,000
Messenger + Delivery	8,130	10,000	11,000	12,000	13,000	14,000
Neighborhood Costs	540,842	831,700	857,000	883,000	910,000	938,000
Total program expenses	$ 1,458,525	$ 1,978,200	$ 2,009,000	$ 2,077,000	$ 2,146,000	$ 2,217,000
OVERHEAD EXPENSES						
Accounting/Audit Fees	100,200	128,000	132,000	136,000	141,000	146,000
IT Services and Fees	227,000	243,000	251,000	259,000	267,000	276,000
Professional Consulting Fees HR	169,098	208,000	215,000	222,000	229,000	236,000
Insurance	30,760	35,000	37,000	39,000	41,000	43,000
Duplicating, copying, printing	34,075	36,000	38,000	40,000	42,000	44,000
Postage	9,000	10,000	11,000	12,000	13,000	14,000
Supplies	34,397	36,000	38,000	40,000	42,000	44,000
Rent	253,349	280,000	289,000	298,000	307,000	317,000
Repairs and Maintenance	1,500	2,000	3,000	4,000	5,000	6,000
Telephone, Fax and Cell Phone	30,751	32,000	33,000	34,000	36,000	38,000
Bank Charges / Payroll services	36,816	39,000	41,000	43,000	45,000	47,000
Marketing & Outreach expenses	26,000	60,000	62,000	64,000	66,000	68,000
Depreciation Expense	1,827	2,000	3,000	4,000	5,000	6,000
Amortization Expense	21,581	22,000	23,000	24,000	25,000	26,000
Miscellaneous & Employee Goodwill	40,000	50,000	52,000	54,000	56,000	58,000
Total overhead expenses	$ 1,016,355	$ 1,183,000	$ 1,228,000	$ 1,273,000	$ 1,320,000	$ 1,369,000
OTHER EXPENSES						
Interest Expense	576,378	650,000	650,000	650,000	650,000	650,000
Total other	$ 576,378	$ 650,000	$ 650,000	$ 650,000	$ 650,000	$ 650,000
TOTAL EXPENSES	$ 8,628,281	$ 11,121,000	$ 11,569,000	$ 11,919,000	$ 12,279,000	$ 12,653,000
Net of Revenues to Expenses	**$ 5,204,618**	**$ 3,149,630**	**$ (576,336)**	**$ 589,000**	**$ 1,138,100**	**$ 468,000**

Montgomery Housing Partnership, Inc. 2025 Budget						
	YE 2024 Reforecast	2025 Budget	2026 Projection	2027 Projection	2028 Projection	2029 Projection
	-					
CASH FLOW ADJUSTMENTS						
DEVELOPER FEES						
Cash Payments	1,616,612	5,118,847	4,534,030	2,553,396	527,340	513,198
Accrual Reversal	(5,133,187)	(6,586,630)	(2,791,164)	-	-	-
Total developer fee cash adjustments	$ (3,516,575)	$ (1,467,783)	$ 1,742,866	$ 2,553,396	$ 527,340	$ 513,198
LINE OF CREDIT DRAWS						
Advances	-	2,500,000	-	-	-	-
Repayments	(500,000)	-	-	-	-	-
Total intercompany cash adjustments	$ (500,000)	$ 2,500,000	$ -	$ -	$ -	$ -
INTERCOMPANY ADVANCES/LOANS						
Repayments	3,522,907	2,145,000	-	-	-	-
Entity Loans/Advances	(5,223,617)	(5,000,000)	-	-	-	-
Entity Loan Interest Accrual	(381,762)	(600,000)	(800,000)	(800,000)	(800,000)	(800,000)
Total intercompany cash adjustments	$ (2,082,472)	$ (3,455,000)	$ (800,000)	$ (800,000)	$ (800,000)	$ (800,000)
OPERATING CASH ADJUSTMENTS						
Depreciation/Amortization	16,808	-	-	-	-	-
Prepaids	(18,894)	-	-	-	-	-
AR - Grants	(141,712)	-	-	-	-	-
AR - Property Fees	564,365	-	-	-	-	-
AR - Other	129,505	-	-	-	-	-
Accrued Interest	58,579	-	-	-	-	-
Accounts Payable	293,337	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL ADJUSTMENTS	$ 901,989	$ -	$ -	$ -	$ -	$ -
Total Cash Affect from Operating Activities	**$ 7,560**	**$ 726,847**	**$ 366,530**	**$ 2,342,396**	**$ 865,440**	**$ 181,198**

Montgomery Housing Partnership, Inc.
and Its Subsidiaries and Affiliates

Consolidated Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

December 31, 2024

CohnReznick

Montgomery Housing Partnership, Inc. and
Its Subsidiaries and Affiliates

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Independent Auditor's Report

To the Board of Directors
Montgomery Housing Partnership, Inc. and its Subsidiaries and Affiliates

Opinion

We have audited the consolidated financial statements of Montgomery Housing Partnership, Inc. and its Subsidiaries and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Montgomery Housing Partnership, Inc. and its Subsidiaries and Affiliates as of December 31, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Montgomery Housing Partnership, Inc. and its Subsidiaries and Affiliates, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Montgomery Housing Partnership, Inc. and its Subsidiaries and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Montgomery Housing Partnership, Inc. and its Subsidiaries and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Montgomery Housing Partnership, Inc. and its Subsidiaries and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information as of December 31, 2024, of the consolidating statements of financial position, consolidating statements of activities and consolidating statement of changes in net assets is presented for purposes of additional analysis, rather than to present the financial position, net assets, and cash flows of the individual companies, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements for the year ended December 31, 2024, as a whole.

The NeighborWorks America Capital Grant Funds schedule is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial position of Montgomery Housing Partnership, Inc. and its Subsidiaries and Affiliates as of December 31, 2023, and related consolidated statements of activities, functional expenses, changes in net assets and cash flows for the year then ended (not presented herein), and we expressed an unmodified opinion on those consolidated financial statements with a report date of January 8, 2025. That audit was conducted for purposes of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information related to the 2023 consolidated financial statements on pages 41 to 48 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the 2023 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of those consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 supplementary information related to the 2023 consolidated financial statements on pages 41 to 48 is fairly stated in all material respects in relation to the basic consolidated financial statements from which it has been derived.

CohnReznick LLP

Bethesda, Maryland
August 5, 2025

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidated Statement of Financial Position
December 31, 2024

Assets

Current assets	
Cash and cash equivalents	$ 30,113,375
Short-term investments	756,932
Accounts receivable	
Residents	1,111,892
Grants	975,112
Other	1,646,630
Mortgage escrow deposits for taxes and insurance	1,216,135
Prepaid expenses	1,289,393
Development-in-progress - MPDU resale initiative	276,548
Total current assets	37,386,017
Property and equipment	
Land	80,791,752
Buildings	389,682,090
Furniture and equipment	8,899,787
	479,373,629
Less accumulated depreciation	104,401,629
Total property and equipment	374,972,000
Other assets	
Restricted project reserves	23,823,442
Funded residents' security deposits	1,642,866
Investment in partnership	841,325
Deposits	235,101
Tax credit fees, net of accumulated amortization of $185,754	582,493
Other assets, net of accumulated amortization of $251,388	2,363,151
Long-term investments	120,190
Right-of-use asset, net	1,684,405
Development-in-progress	120,719,092
Total other assets	152,012,065
Total assets	$ 564,370,082

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidated Statement of Financial Position
December 31, 2024

Liabilities and Net Assets

Current liabilities	
Secured notes payable - current maturities	$ 19,040,310
Unsecured notes payable - current maturities	4,966,727
Accounts payable and accrued expenses	3,995,617
Accounts payable - construction	23,764,456
Accrued interest payable	4,464,762
Prepaid rents	433,073
Lease liabilities - current	257,060
Total current liabilities	56,922,005
Other liabilities	
Residents' security deposits	1,573,494
Total other liabilities	1,573,494
Long-term liabilities	
Accrued interest payable	4,460,769
Deferred revenue	1,130,679
Deferred development fee revenue	536,261
Other liabilities	722,437
Lease liability	1,427,345
Secured notes payable, net	465,459,744
Unsecured notes payable, net	6,126,916
Total long-term liabilities	479,864,151
Commitments and contingencies	-
Net assets	
Net assets without donor restrictions	505,326
Net assets with donor restrictions	1,351,096
Noncontrolling interest	
Net assets without donor restrictions	24,154,010
Total net assets	26,010,432
Total liabilities and net assets	$ 564,370,082

See Notes to Consolidated Financial Statements.

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidated Statement of Activities
Year Ended December 31, 2024

Change in net assets without donor restrictions		
Revenue		
Rental revenue - net	$	40,084,566
Grants		3,261,517
Cash contributions		948,123
Development fee income		7,179,795
Interest and dividend income		1,111,534
Special events		57,792
Other income		936,101
		53,579,428
Satisfaction of program restrictions		1,645,139
Total revenue without donor restrictions		55,224,567
Expenses		
Program services		
Properties in management		53,999,491
Community life program development and management		2,620,441
Other program development and management		2,094,722
Supporting services		
Management and general		3,563,574
Fundraising		928,753
Lobbying		3,268
Total expenses		63,210,249
Excess of expenses over revenue - consolidated net assets without donor restrictions		(7,985,682)
Changes in net assets with donor restrictions		
Grants		858,000
Release of program restrictions		(1,645,139)
Excess of expenses over revenue - consolidated net assets with donor restrictions		(787,139)
Total excess of expenses over revenue		(8,772,821)
Excess of expenses over revenue attributable to noncontrolling interest		(8,645,183)
Excess of expenses over revenue attributable to controlling interest	$	(127,638)

See Notes to Consolidated Financial Statements.

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Program services				Supporting services			
	Properties in management	Community life program development and management	Other program development and management	Total	Management and general	Fundraising	Lobbying	Grand total
Administration	$ 4,873,087	$ 67,009	$ 152,089	$ 5,092,185	$ 424,430	$ 102,943	$ 276	$ 5,619,834
Salaries and benefits	1,199,425	1,422,923	1,612,278	4,234,626	2,128,922	444,546	2,992	6,811,086
Rent expense	-	62,454	70,781	133,235	81,167	19,508	-	233,910
Other	-	1,044,949	1,438	1,046,387	1,352	8,352	-	1,056,091
Professional services	-	4,796	204,448	209,244	395,357	251,575	-	856,176
Fundraising events	-	-	-	-	-	93,235	-	93,235
Utilities	4,085,045	-	1,162	4,086,207	-	-	-	4,086,207
Operating and maintenance	9,324,307	1,309	1,483	9,327,099	1,701	409	-	9,329,209
Taxes	1,493,429	-	-	1,493,429	-	-	-	1,493,429
Insurance	1,559,006	9,569	10,845	1,579,420	12,435	2,989	-	1,594,844
Interest	15,901,510	-	31,775	15,933,285	508,551	2,875	-	16,444,711
Other financial expenses	2,665,459	-	-	2,665,459	-	-	-	2,665,459
Management fees	1,202,852	-	-	1,202,852	-	-	-	1,202,852
Depreciation and amortization	11,695,371	7,432	8,423	11,711,226	9,659	2,321	-	11,723,206
Total	$ 53,999,491	$ 2,620,441	$ 2,094,722	$ 58,714,654	$ 3,563,574	$ 928,753	$ 3,268	$ 63,210,249

See Notes to Consolidated Financial Statements.

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2024

	Net assets without donor restrictions			Net assets with donor restrictions	Net assets
	Controlling	Noncontrolling	Total	Controlling	Total
Beginning balance, January 1, 2024	$ (154,175)	$ 14,183,814	$ 14,029,639	$ 2,138,235	$ 16,167,874
Capital contributions from noncontrolling interests	-	18,851,023	18,851,023	-	18,851,023
Distributions to noncontrolling interests	-	(37,342)	(37,342)	-	(37,342)
Syndication costs	-	(198,302)	(198,302)	-	(198,302)
Excess of expenses over revenue attributable to noncontrolling interests	-	(8,645,183)	(8,645,183)	-	(8,645,183)
Excess of revenue over expenses (expenses over revenue) attributable to the Organization	659,501	-	659,501	(787,139)	(127,638)
Ending balance, December 31, 2024	$ 505,326	$ 24,154,010	$ 24,659,336	$ 1,351,096	$ 26,010,432

See Notes to Consolidated Financial Statements.

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidated Statement of Cash Flows
Year Ended December 31, 2024

Cash flows from operating activities	
Change in net assets	$ (8,772,821)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	11,723,206
Amortization of debt issuance costs	1,467,211
Loss on fair value of interest rate cap and swap	1,085,099
Changes in assets and liabilities	
Decrease in residents' accounts receivable	124,294
Increase in accounts receivable - grants	(491,401)
Decrease in accounts receivable - other	796,886
Decrease in deposits	645,433
Increase in prepaid expenses	(117,098)
Increase in accounts payable and accrued expenses	1,792,398
Increase in accrued interest	2,135,400
Increase in prepaid rents	29,172
Decrease in deferred rent revenue	(162,350)
Increase in residents' security deposits liability	25,491
Net cash provided by operating activities	10,280,920
Cash flows from investing activities	
Acquisition of property and equipment	(102,795,231)
Net deposits to restricted project reserves	(2,710,378)
Change in investments	(6,246)
Net withdrawals from mortgage escrow reserves	141,774
Contribution to partnership	(88,820)
Cash paid for other assets	(250,946)
Net cash used in investing activities	(105,709,847)

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidated Statement of Cash Flows
Year Ended December 31, 2024

Cash flows from financing activities	
Contributions from noncontrolling interest	18,851,023
Distributions to noncontrolling interest	(37,342)
Payments of secured notes payable	(44,389,811)
Proceeds from secured notes payable	122,937,838
Payments of unsecured notes payable	(500,000)
Syndication costs paid	(198,302)
Debt issuance costs paid	(1,969,493)
Net cash provided by financing activities	94,693,913
Net decrease in cash, cash equivalents, and restricted cash	(735,014)
Cash, cash equivalents, and restricted cash, beginning	42,925,655
Cash, cash equivalents, and restricted cash, end	$ 42,190,641
Supplemental disclosure of cash flow information	
Cash paid for interest, net of capitalized interest	$ 12,842,100
Supplemental schedule of noncash investing and financing activities	
Development-in-progress included in accounts payable - construction	$ (2,400,625)
Development-in-progress included in deferred developer fee revenue	$ (536,261)
Fixed asset additions included in accounts payable	$ 184,381
Write-off of accumulated amortization	$ 34,553

See Notes to Consolidated Financial Statements.

Note 1 - Organization and nature of operations

Montgomery Housing Partnership, Inc. ("MHP") was incorporated as a nonstock and not-for-profit organization on January 6, 1989 under the laws of the State of Maryland for the purpose of providing, sponsoring, facilitating or promoting the acquisition, development or preservation of affordable housing, promoting and supporting the revitalization of distressed neighborhoods, lessening neighborhood tensions and working toward the elimination of prejudice and discrimination in communities in Montgomery County, Maryland and, more recently, in adjacent communities. MHP derives its revenue primarily from grants, contributions, fundraising events, development fees, and asset and incentive management fees and operates in Silver Spring, Maryland.

MHP Town Centre, Inc. ("Town Centre") was incorporated as a nonstock and not-for-profit organization on October 21, 1992 under the laws of the State of Maryland for the purpose of acquiring, rehabilitating and operating a 74-unit low- and moderate-income, multi-family residential rental property located in Rockville, Maryland and operating under the name of Beall's Grant Apartments. MHP is the not-for-profit sponsor organization of Town Centre. On January 27, 2017, the rental property owned by Town Centre was sold to Beall's Grant Apartments LLC, in a common control transaction.

MHP DRHC, Inc. ("Dring's Reach") was incorporated as a nonstock and not-for-profit organization on November 12, 2002 under the laws of the State of Maryland for the purpose of operating a 105-unit low- and moderate-income, multi-family residential rental property located in Silver Spring, Maryland and operating under the name of Dring's Reach Apartments. MHP is the not-for-profit sponsor organization of Dring's Reach. The rental property was transferred to MHP DRHC, Inc. on November 21, 2002 from MHP, who had previously owned and operated the project.

MHP Scattered Site, Inc. ("Scattered Site") was incorporated as a nonstock and not-for-profit organization on September 14, 1992 under the laws of the State of Maryland for the purpose of acquiring and operating scattered site residential properties located in Montgomery County, Maryland for rental to low- and moderate-income households or to not-for-profit organizations serving persons with physical, mental or other disabilities. Scattered Site owns 103 individual homes purchased under Montgomery County, Maryland's moderately-priced dwelling unit ("MPDU") program. Under Montgomery County's MPDU program, Scattered Site may purchase a small number of these below-market priced units and rent them to lower-income families. Scattered Site entered a program in 2003 to include units purchased throughout Montgomery County, Maryland under the MPDU resale initiative. Scattered Site purchases vacant homes, rehabilitates and sells them to homeowners to help revitalize the neighborhoods. Scattered Site has also purchased and rehabilitated 6 small apartment buildings totaling 119 units in the Sligo Creek/Long Branch areas and leased them to low-income tenants. The buildings and number of units are: Browning Apartments, 16 units; Bradford Apartments, 6 units; Glenville Apartments, 31 units; Silver Spring/Nolte Apartments, 19 units; Hancock Gardens Apartments, 25 units; and Amherst Gardens Apartments, 22 units. MHP is the not-for-profit sponsor organization for Scattered Site.

MHP Edinburgh House, Inc. ("Edinburgh House, Inc.") was incorporated as a nonstock and not-for-profit organization on October 28, 1994 under the laws of the State of Maryland for the purpose of acquiring, rehabilitating and operating a 45-unit low- and moderate-income, multi-family residential rental property located in Takoma Park, Maryland and operating under the name of Edinburgh House, Inc. MHP is the not-for-profit sponsor organization of Edinburgh House, Inc. On May 25, 2011, the property was transferred to an affiliate of MHP, MHP Edinburgh House LP, for the

purpose of obtaining Section 42 tax credits, investment of limited partner and rehabilitation of the project.

MHP Landing's Edge, Inc. ("Landing's Edge") was incorporated as a nonstock and not-for-profit organization on August 21, 1997 under the laws of the State of Maryland for the purpose of acquiring, rehabilitating and operating a 125-unit low- and moderate-income, multi-family residential rental property located in Wheaton, Maryland and operating under the name of Amherst Square Apartments. MHP is the not-for-profit sponsor organization of Landing's Edge.

MHP Beall's, Inc. ("Beall's Grant") was incorporated as a nonstock and not-for-profit organization on November 17, 2005 under the laws of the State of Maryland for the purpose of acquiring, constructing and operating low- and moderate-income, multi-family residential rental property located in Rockville, Maryland.

MHP Flower-Maple, LLC ("Flower Maple") was formed as a limited liability company under the Revised Uniform Company Act of the State of Maryland on March 16, 2007 as a single-member company for the purpose of acquiring, owning, managing, renovating and operating a 21-unit low- and moderate-income, multi-family residential rental property located in Takoma Park, Maryland.

MHP Parkview Towers, Inc. was incorporated as a nonstock and not-for-profit organization on September 25, 2012 under the laws of the State of Maryland for the purpose of acquiring, constructing and operating low- and moderate-income, multi-family residential rental property located in Silver Spring, Maryland.

MHP Parkview Towers, LLC ("Parkview Towers") was formed as a limited liability company under Title 4a of the Corporations and Associations Article of the Annotated Code of Maryland on November 10, 2010 as a single-member company for the purpose of acquiring, owning, managing, renovating and operating a low- and moderate-income, multi-family residential 125-unit rental property located in Takoma Park, Maryland. On February 28, 2013, the property was transferred to an affiliate of MHP, MHP Parkview Towers, LP, for the purpose of obtaining Section 42 tax credits, investment of limited partner and rehabilitation of the project.

MHP MPDU Rental, Inc. ("MPDU Rental") was incorporated as a nonstock and not-for-profit organization on December 31, 2010 under the laws of the State of Maryland for the purpose of acquiring, owning, operating and selling low- and moderate-income scattered site residential properties located in Montgomery County, Maryland. In prior years, MPDU Rental acquired two single-family homes located in Olney, Maryland, a single-family home located in Gaithersburg, Maryland, six single-family homes located in Silver Spring, Maryland, seven single-family homes located in Clarksburg, Maryland, a single-family home located in North Potomac, Maryland, and a single family home located in Germantown, Maryland. On April 29, 2019, MPDU Rental acquired a townhome located in Olney, Maryland.

MHP 610-614 SSA, LLC ("Silver Spring Avenue") was formed as a limited liability company under Title 4a of the Corporations and Associations Article of the Annotated Code of Maryland on December 7, 2011 as a single-member company for the purpose of acquiring, rehabilitating and operating a 15-unit low- and moderate-income, multi-family residential rental property located in Silver Spring, Maryland and is currently operating under the name Silver Spring Avenue Apartments.

MHP North Frederick Avenue, LLC ("North Frederick Avenue") was formed as a limited liability company under the laws of the State of Maryland on October 10, 2012, for the purpose of acquiring, owning, managing and operating multi-family residential rental properties in Gaithersburg, Maryland. In a prior year, the Company acquired a 33-unit multi-family rental housing project at 439North Frederick Avenue. On October 15, 2013, the Company acquired a 45-unit multi-family rental housing project at 425 North Frederick Avenue. On September 29, 2023, the rental property was sold to MHP North Frederick Owner LLC, an entity under common control of MHP.

MHP Forest Glen, LLC ("Forest Glen") was formed as a limited liability company under the laws of the State of Maryland on June 1, 2016, to acquire, rehabilitate and operate 72 units of rental housing, located in Silver Spring, Maryland. The project consists of 36 units of low-income housing and 36 units of market rent housing, and is currently operating under the name Forest Glen Apartments. On June 1, 2016, the property was purchased from an unrelated third party. On January 19, 2023, the rental property was sold to MHP Forest Glen 4 LP and MHP Forest Glen 9 LP which are entities under common control of MHP.

MHP Hillwood Manor, LLC ("Hillwood Manor") was formed as a limited liability company under the laws of the State of Maryland on June 1, 2016, to acquire, rehabilitate and operate 96 units of rental housing, located in Silver Spring, Maryland. The project consists of 48 units of low-income housing and 47 units of market rent housing, and is currently operating under the name Hillwood Manor Apartments. On December 30, 2021, the rental property was sold to MHP Colonnade LLC, an entity under common control of MHP.

Great Hope Homes 2001, L.P. ("Great Hope Homes") was formed as a limited partnership under the laws of the State of Maryland on May 22, 2001 for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing and operating a 104-unit multi-family rental housing project located in Silver Spring, Maryland and operating under the name of Great Hope Homes Apartments. On September 30, 2017, MHP purchased the limited partner interest from the unrelated limited partner and owns 100% of the partnership interest.

Greenwood Terrace Apartments, L.P. ("Greenwood Terrace") was formed as a limited partnership under the laws of the State of Maryland on September 20, 2001 for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing and operating a 50-unit multi-family rental housing project located in Silver Spring, Maryland and operating under the name of Greenwood Terrace Apartments. On October 1, 2019, MHP purchased the limited partner interest from the unrelated limited partner and owns 100% of the partnership interest.

MHP Worthington Woods LLC ("MHP Worthington Woods") was formed as a limited liability company on May 20, 2019 under the laws of the State of Maryland for the purpose of acquiring, owning, renovating and operating a 395-unit multi-family residential rental housing project located in Washington, District of Columbia and operating under the name Worthington Woods Apartments. MHP is the sole member of the company and owns 100% company interest. On June 22, 2023, the rental property was sold to MHP WW Apartments LLC, an entity under common control of MHP.

MHP Crescent Park Village LLC ("MHP Crescent Park") was formed as a limited liability company on August 5, 2020, under the laws of the State of Maryland for the purpose of acquiring, owning, renovating and operating a 110-unit multi-family residential rental housing project located in Washington, District of Columbia under the name Crescent Park Village. MHP is the sole member of the company and owns 100% company interest.

MHP Franklin LLC ("MHP Franklin") was formed as a limited liability company on March 30, 2022, under the laws of the State of Maryland for the purpose of acquiring, constructing, rehabilitating and operating a multi-family residential rental property (the "project"). The project consists of 185 units in a midrise building located in Takoma Park, Maryland, and is currently operating under the name Franklin Apartments. MHP is the sole member of the company and owns 100% company interest.

Rollingwood Venture LP ("Rollingwood") was formed as a limited partnership on December 20, 2022, under the laws of the State of Maryland for the purpose of acquiring, owning, and operating a multi-family rental apartment projected located in Silver Spring, Maryland under the name The Rollingwood Apartments.

Blair Park Apartments, L.P. ("Blair Park") was formed as a limited partnership under the laws of the State of Maryland on September 25, 2001 for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing and operating a 52-unit multi-family rental housing project located in Silver Spring, Maryland and operating under the name of Blair Park Apartments. On December 31, 2022, MHP purchased the limited partner interest from the unrelated limited partner and owns 100% of the partnership interest.

MHP TPP, LLC ("Takoma Park Preservation") was formed as a limited liability company under the Revised Uniform Company Act of the State of Maryland on May 2, 2006 for the purpose of acquiring, owning, managing, improving, developing, renovating and operating low- and moderate-income, multi-family residential rental properties located in Montgomery County, Maryland. The operating names and number of units are: Crossroads Flower, two buildings with a total of 27 units; Merrimac Gardens, one building with 20 units; and Sligo View Apartments, one building with 28 units, which were purchased May 12, 2006, July 31, 2006, and September 28, 2006, respectively. MHP Takoma, Inc., an affiliate of MHP, owns .01% as the managing member and an unrelated limited member owns 99.99% of the company interest.

Town Centre, Dring's Reach, Scattered Site, Edinburgh House, Inc., Landing's Edge, Beall's Grant, Flower Maple, Parkview Towers, MHP Parkview Towers, Inc., MPDU Rental, Silver Spring Avenue, North Frederick Avenue, Forest Glen, Hillwood Manor, Great Hope Homes, Greenwood Terrace, MHP Worthington Woods, MHP Crescent Park, MHP Franklin, Rollingwood, Blair Park and Takoma Park Preservation are collectively known as the "Subsidiaries".

Pembridge Square Apartments, L.P. ("Pembridge Square") was formed as a limited partnership under the laws of the State of Maryland on August 8, 2003 for the purpose of acquiring, owning, rehabilitating, leasing and operating a 133-unit multi-family rental housing project located in Wheaton, Maryland and operating under the name of Pembridge Square Apartments. MHP Pembridge, Inc., an affiliate of MHP, owns .01% as the general partner and an unrelated limited partner owns 99.99% of the partnership interest.

MHP Maple Towers, LLC ("Maple Towers") was formed as a limited liability company under Title 4a of the Corporations and Associations Article of the Annotated Code of Maryland on November 24, 2008 for the purpose of acquiring, owning, managing, renovating and operating a low- and moderate-income, multi-family residential rental property located in Montgomery County, Maryland. On December 5, 2008, Maple Towers acquired a 35-unit multi-family rental housing project located in Takoma Park, Maryland. On June 17, 2010, the Company admitted an unrelated limited member who owns 99.99% of the company interest. MHP Maple Towers, Inc., an affiliate of MHP, owns .01% as the managing member.

MHP Edinburgh House LP ("Edinburgh House LP") was formed as a limited partnership under the laws of the State of Maryland on May 1, 2011, to acquire, rehabilitate and operate 45 units of rental housing, located in Takoma Park, Maryland. The project consists of 39 units of low-income housing and 6 units of market rent housing, and is currently operating under the name Edinburgh House Apartments. MHP EDH, Inc., an affiliate of MHP, owns .01% as the general partner and an unrelated limited partner owns 99.99% of the partnership interest.

MHP Halpine LP ("Halpine Hamlet") was formed as a limited partnership under the laws of the State of Maryland on August 4, 2011 to acquire, rehabilitate and operate 67 units of rental housing, located in Rockville, MD. The project consists of 50 low-income housing and 17 market rent housing, and is currently operating under the name Halpine Hamlet Apartments. MHP Halpine, Inc., an affiliate of MHP, owns .01% as the general partner and an unrelated limited partner owns 99.99% of the partnership interest.

MHP Parkview Towers, LP ("Parkview Towers LP") was formed as a limited partnership on September 21, 2012 under the laws of the State of Maryland to acquire, rehabilitate and operate 125 units of rental housing located in Takoma Park, Maryland. The project consists of 105 units of low-income housing and 20 units of middle-income housing and is operating under the name of Parkview Towers. The property was purchased on February 28, 2013. MHP Parkview Towers, Inc., an affiliate of MHP, owns .01% as the general partner and an unrelated limited partner owns 99.99% of the partnership interest.

Beall's Grant Apartments LLC ("Beall's Grant Apartments LLC") was formed as a limited liability company on August 24, 2016 under the Revised Uniform Company Act of the State of Maryland to acquire, own, develop, rehabilitate, lease and operate 74 units of rental housing located in Rockville, Maryland. The project consists of 51 units of low-income housing and 23 market rate units and is operating under the name of Beall's Grant Apartments. The property was purchased on January 27, 2017. BGA MM LLC, an affiliate of MHP, owns .01% as the managing member and an unrelated investor member owns 99.99% of the company interest.

Silver Spring Library Residences LP ("Silver Spring Library Residences LP") was formed as a limited partnership under the laws of the State of Maryland on July 16, 2012, for the purpose of constructing and operating a rental housing project under Section 221(d)(4) of the National Housing Act as regulated by the U.S. Department of Housing and Urban Development ("HUD"). The project consists of 149 units with 6,282 square feet of retail space located in Silver Spring, Maryland and is currently operating under the name of The Bonifant. The property was purchased on November 29, 2018. Silver Spring Library Residences GP, LLC, an affiliate of MHP, owns .01% as the general partner and an unrelated limited partner owns 99.99% of the partnership interest.

MHP Parkview Manor LLC ("Parkview Manor LLC") was formed as a limited liability company on April 10, 2017, under the Revised Uniform Company Act of the State of Maryland for the purpose of acquiring, constructing, rehabilitating, and operating a rental housing project. The project consists of 53 units in four buildings located in Hyattsville, Maryland, and is currently operating under the name Parkview Manor Apartments. On May 31, 2018, the operating agreement was amended and restated to admit Enterprise Housing Partners XXIX Limited Partnership, the Investor Member. MHP Art LLC, an affiliate of MHP, owns .01% as the managing member and an unrelated investor member owns 99.99% of the company interest.

515 Thayer LLC (the "515 Thayer") was formed as a limited liability company on October 21, 2020 under the Revised Uniform Company Act of the State of Maryland for the purpose of acquiring, constructing, rehabilitating, and operating a rental housing project. The project consists of 55 units

in one building located in Silver Spring, Maryland, and is currently operating under the name 515 Thayer. On February 1, 2021, the operating agreement was amended and restated to admit Enterprise Housing Partners XXXI Limited Partnership and Enterprise Housing Partnership XXXIII Limited Partnership, the Investor Member. The Managing Member is 515 Thayer MM LLC and has an ownership percentage of 0.01%.

MHP Colonnade LLC (the "MHP Colonnade") was formed as a limited liability company on May 21, 2021 under the Revised Uniform Company Act of the State of Maryland for the purpose of acquiring, constructing, rehabilitating, and operating a rental housing project. The project consists of 96 units in 15 buildings located in Takoma Park, Maryland, and is currently operating under the name MHP Colonnade. On February 1, 2022, the operating agreement was amended and restated to admit Enterprise Housing Partners XXXIII Limited Partnership, the Investor Member. The Managing Member is MHP Colonnade MM LLC and has an ownership percentage of 0.01%.

MHP North Frederick Owner LLC (the "North Frederick Owner ") was formed as a limited liability company on February 1, 2023 under the Revised Uniform Company Act of the State of Maryland for the purpose of acquiring, owning, managing, rehabilitating and operating a rental housing project. The project consists of 78 units in 7 buildings located in Gaithersburg, Maryland, and is currently operating under the names 439 North Frederick Avenue Apartments and 425 North Frederick Avenue Apartments. On September 29, 2023, the operating agreement was amended and restated to admit The Banc of America Housing Fund XVII Limited Partnership, LLLP, the Investor Member. The Managing Member is MHP North Frederick MM LLC and has an ownership percentage of 0.01%.

MHP WW Apartments LLC (the "WW Apartments") was formed as a limited liability company on February 14, 2023, under the Revised Uniform Company Act of the State of Maryland for the purpose of acquiring, owning, and operating a rental housing project. The project consists of 395 units in 49 buildings located in Washington, District of Columbia, and is currently operating under the name Worthington Woods Apartments. On June 22, 2023, the operating agreement was amended and restated to admit PNC Bank, National Association, the Investment Member. The Managing Member is Worthington Woods MM, LLC, and has an ownership percentage of 0.01%.

MHP Forest Glen 4 LP (the "Forest Glen 4 ") was formed as a limited liability company on August 5, 2022, under the Revised Uniform Company Act of the State of Maryland for the purpose of acquiring, owning, managing, rehabilitating and operating a rental housing project. The project consists of 136 units and is located in Silver Spring, Maryland, and is currently operating under the name The Residences at Forest Glen. On January 19, 2023, the operating agreement was amended and restated to admit Enterprise Housing Partners XXXVII Limited Partnership, the Investor Member. The Managing Member is MHP Forest Glen 4 GP LLC and has an ownership percentage of 0.01%.

MHP Forest Glen 9 LP (the "Forest Glen 9") was formed as a limited liability company on August 5, 2022, under the Revised Uniform Company Act of the State of Maryland for the purpose of acquiring, owning, managing, rehabilitating and operating a rental housing project. The project consists of 53 units and is located in Silver Spring, Maryland, and is currently operating under the name The Residences at Forest Glen. On January 19, 2023, the operating agreement was amended and restated to admit Enterprise Housing Partners XXXVII Limited Partnership, the Investor Member. The Managing Member is MHP Forest Glen 9 GP LLC and has an ownership percentage of 0.01%.

MHP Nebel 4 LLC (the "Nebel 4") was formed as a limited liability company on May 12, 2023, under the Revised Uniform Company Act of the State of Maryland for the purpose of acquiring, constructing, rehabilitating, developing, repairing, improving, maintaining, operating, leasing, and operating a rental housing project. The project consists of 135 units and is located in Rockville, Maryland, and is currently operating under the name Nebel Street Apartments 4. On August 28, 2024, the operating agreement was amended and restated to admit TCC Nebel Street 4, LLC, the Investor Member. The Managing Member is MHP Nebel 4 MM LLC and has an ownership percentage of 0.01%.

MHP Nebel 9 LLC (the "Nebel 9") was formed as a limited liability company on May 12, 2023, under the Revised Uniform Company Act of the State of Maryland for the purpose of acquiring, constructing, rehabilitating, developing, repairing, improving, maintaining, operating, leasing, and operating a rental housing project. The project consists of 28 units and is located in Rockville, Maryland, and is currently operating under the name Nebel Street Apartments 9. On August 28, 2024, the operating agreement was amended and restated to admit TCC Nebel Street 9, LLC, the Investor Member. The Managing Member is MHP Nebel 9 MM LLC and has an ownership percentage of 0.01%.

Pembridge Square, Maple Towers, Edinburgh House LP, Halpine Hamlet, Parkview Towers LP, Beall's Grant Apartments LLC, Silver Spring Library Residences LP, Parkview Manor LLC, 515 Thayer, MHP Colonnade, North Frederick Owner, WW Apartments, Forest Glen 4, Forest Glen 9, Nebel 4 and Nebel 9 are collectively known as the "Affiliates".

MHP and its Subsidiaries and Affiliates are collectively known as the "Organization".

MHP's Affiliates have qualified for and have been allocated low-income housing tax credits ("LIHTC") pursuant to Internal Revenue Code Section 42 ("Section 42") which regulates the use of the projects as to occupant eligibility and unit gross rent, among other requirements. The Affiliates must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the credits.

Note 2 - Significant accounting policies

Principles of consolidation

The consolidated financial statements include the accounts of MHP, its Subsidiaries and Affiliates, and certain related entities.

The Financial Accounting Standards Board ("FASB") issued guidance on determining whether a general partner, or the general partners as a group, controls a limited partnership or similar entity when the limited partners have certain rights. The guidance amended and replaced the previous requirements, which provides guidance on accounting for investments in real estate ventures. The FASB guidance establishes the presumption that the general partner or managing member in a real estate venture controls that entity regardless of the extent of the general partner or managing member ownership interest in the entity. The presumption of control can be overcome if the limited partner(s) or member(s) have either (i) "kick-out rights" - the substantive ability to dissolve or liquidate the entity or otherwise remove the general partner or managing member "without cause" or (ii) "substantive participating rights" - the ability to effectively participate in significant decisions made in the ordinary course of the entity's business. If the presumption of control cannot be overcome, then the general partner or managing member is required to consolidate the entity. The Organization determined that the presumption of control for the entities in which MHP is the sole general partner or managing member had not been overcome and as a result MHP is required to

consolidate the financial statements of the Affiliates. All significant inter-company balances and transactions between members of the Organization have been eliminated in consolidation.

Financial statement presentation
The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Furthermore, information is required to segregate program service expenses from support expenses.

In addition, the Organization records contributions received as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Use of estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes
MHP and its Subsidiaries (except Flower Maple, Parkview Towers, Silver Spring Avenue, North Frederick Avenue, Forest Glen, Hillwood Manor, Great Hope Homes, Greenwood Terrace, MHP Worthington Woods, MHP Crescent Park, Rollingwood, Takoma Park Preservation, Blair Park and MHP Franklin) have applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended December 31, 2024. Due to its tax-exempt status, the Organization is not subject to income taxes. The Organization is required to file and does file tax returns with the IRS and other taxing authorities. Management has analyzed the tax positions taken by the Organization and has concluded that, as of December 31, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Organization has no other tax positions which must be considered for disclosure. Income tax returns filed by the Affiliates are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS tax years since 2021 remain open.

Flower Maple, Parkview Towers, Silver Spring Avenue, North Frederick Avenue, Forest Glen, Hillwood Manor, MHP Worthington Woods, MHP Crescent Park, Takoma Park Preservation and MHP Franklin LLC are single-member limited liability companies which are not recognized for federal income tax purposes.

The Affiliates have elected to be treated as pass-through entities for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by their owners or members on their respective income tax returns. Each Affiliate's federal tax status as a pass-through entity is based on their legal status as a partnership or limited liability company. Accordingly, the Affiliates are not required to take any tax positions in order to qualify as pass-through entities. The Affiliates are required to file and do file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Affiliates have no other tax positions which must be considered for disclosure. Income tax returns filed by the Affiliates are

subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2021 remain open.

In accordance with accounting standards for income taxes, a deferred tax asset or liability is determined based on the difference between the financial statement and tax basis of assets and liabilities as measured by enacted tax rates which will be in effect when these differences reverse. These subsidiaries provide a valuation allowance against net deferred tax assets unless, based upon the available evidence, it is more likely than not that the deferred tax assets will be realized. Management believes that its income tax filing positions and deductions will be sustained on audit and does not anticipate any adjustments that will result in a material change to its financial position or results of operations. Therefore, no reserves for uncertain tax positions have been recorded.

Accounts receivable and bad debts
Accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Property and equipment
Property and equipment are carried at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method for financial reporting purposes. For income tax purposes, accelerated lives and methods are used. The depreciable lives are as follows:

Buildings	27.5 - 40 years
Land improvements	15 years
Furniture and equipment	5 - 7 years

Construction in progress is not depreciated until the project is complete and placed in service. Acquisition costs incurred in connection with property acquisition under common control are recorded as a component of net assets. During the year ended December 31, 2024, no acquisition costs were incurred.

Leases
The Organization recognizes a lease asset and a lease liability at the lease commencement date. The lease asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease.

Total lease costs on an undiscounted basis are recognized as rent expense over the term of the lease on a straight-line basis. Annual rent expense comprises amortization of the lease asset plus interest on the lease liability adjusted for any variations in lease payment amounts.

Impairment of long-lived assets
The Subsidiaries and Affiliates review their respective rental property(s) for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated

by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended December 31, 2024.

Debt issuance costs
Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

In-place leases and amortization
Costs of $177,037 related to in-place leases were amortized using the straight-line method over the average remaining life of leases. At December 31, 2024, accumulated amortization amounted to $173,220.

Tax credit fees and amortization
Tax credit fees are amortized over 15 years using the straight-line method. During 2024, amortization expense of $24,694 was recorded on the consolidated statement of functional expenses. Estimated annual amortization of tax credit fees over each of the next five years through 2029 is $24,694. As of December 31, 2024, accumulated amortization was $185,754.

Development-in-progress
Development-in-progress consists of predevelopment and rehabilitation costs incurred in connection with developing and rehabilitating Scattered Site, Beall's Grant, Parkview Towers LP, Landing's Edge, MHP Franklin LLC, Rollingwood Venture LP, North Frederick Owner, WW Apartments, Forest Glen 4, Forest Glen 9, Nebel 4, and Nebel 9.

In addition, rehabilitation costs associated with the Scattered Site MPDU resale initiative are classified as current development-in-progress and are shown net against sale proceeds to either increase or decrease the unsecured note payable when sold (Note 12).

Predevelopment project costs
MHP incurs costs in connection with properties it is considering for development as well as costs associated with properties in the initial stages of development. These costs include such items as market and environmental studies, purchase options, and legal and accounting costs. Predevelopment costs are capitalized until such time as the project is either abandoned or becomes an approved project with independent funding sources. Predevelopment project costs are written off when a potential project is no longer considered desirable or feasible.

Noncontrolling interest
This amount represents the aggregate positive balance of limited partner and member equity interests in the Affiliates that are included in the consolidated financial statements. The aggregate negative balances, if any, of limited partner and member equity interests remain in MHP's net assets.

Grant and contribution revenue
Revenue is recognized on cost reimbursable grants when expenses are incurred. Reimbursable costs incurred in excess of cash received are reflected as grants receivable.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Our federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at December 31, 2024, no conditional contributions have been received in advance, and have not been recognized in the accompanying consolidated financial statements.

Advertising
Advertising costs are expensed as incurred.

Donated capital assets and services
Donated capital assets are recorded as contributions at their estimated values at the date of receipt. There were no donated capital assets during 2024. Donated services have not been reflected in the consolidated financial statements since they are not susceptible to objective measurement or valuation.

Functional allocation of expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among program services, fundraising and management and general. Certain costs are directly expensed to programs and overhead related costs which cannot be directly coded are allocated based on a percentage of direct labor.

Rental income
Residential rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Organization and the residential tenants of the property are classified as operating leases.

Commercial rental income
Commercial income is recognized on a straight-line basis under which contractual rent increases are recognized equally over the lease term. Rental income recorded on the straight-line method in excess of the rents billed is recognized as deferred rent receivable. The Organization begins recognizing rental revenue when the tenant has the right to take possession of or controls the physical use of the property under lease. The Organization includes a renewal period in the lease term only if it appears at lease inception that the renewal is reasonably certain. If the collectability of future lease payments from nonresidential tenants is not probable, the Organization recognizes revenue at the lesser of (a) straight-line lease income, plus variable lease payments, or (b) lease payments, including variable lease payments collected. All leases between the Organization and the commercial tenants of the property are operating leases.

Cash equivalents
The Organization considers money market funds and all highly-liquid investments purchased with a maturity of three months or less when acquired to be cash equivalents.

Short-term investments
The Organization considers certificates of deposit and government bonds purchased with a maturity of three months to one year to be short-term investments.

Derivative instruments
Greenwood has entered into an ISDA Master Agreement which is carried at fair value on the consolidated statement of financial position. Changes in fair value are estimated and recorded through the consolidated statement of activities.

Net assets without donor restrictions
Net assets without donor restrictions are available for use at the discretion of the board of trustees and/or management for general operating purposes. From time to time the board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions
Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

MHP reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting MHP to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board-approved spending policy.

See Note 6 for more information on the composition of net assets with donor restrictions.

Syndication costs
Syndication costs are considered a reduction of net assets.

Investment in partnerships
The Organization's investment in partnerships are accounted for under the equity method of accounting as the Organization does not exercise control or meet the requirements for consolidation. Amounts contributed are carried at cost, adjusted for the Organization's share of undistributed earnings or losses.

Note 3 - Cash and cash equivalents

Cash and cash equivalents consisted of the following at December 31, 2024:

Cash	$ 23,368,533
Money market accounts	6,132,657
Scattered Sites - operating reserve	612,185
	$ 30,113,375

Operating reserves included in cash and cash equivalents are controlled and regulated by the owner and are not restricted.

Liquidity and availability of resources

MHP's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	$	30,113,375
Short-term investments		756,932
Accounts receivable		3,733,634
Mortgage escrow deposits for taxes and insurance		1,216,135
Net assets with donor restrictions included in cash and cash equivalents		(1,351,096)
	$	34,468,980

MHP maintains a policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, MHP invests cash that exceeds short-term requirements in liquid short-term investments including brokered certificates of deposit, United States treasury and agency securities, and commercial paper. Only amounts related to restricted deposits and funded reserves anticipated to be used more than one year after the consolidated statement of financial position date have been excluded from the above amounts.

Note 4 - Investments

The certificates of deposit earn interest of 0.200% - 3.923% and have maturity dates in various months ranging from February 2025 through January 2026.

Investments consisted of the following certificates of deposit and stock at December 31, 2024:

Bank/Investment Servicer		Balance
PNC Bank	$	107,231
Sandy Spring Bank		122,929
United Bank		120,190
Total certificates of deposit		350,350
Wells Fargo Bank		526,772
Total certificates of deposit and stock	$	877,122

Note 5 - Notes payable

MHP and its Subsidiaries and Affiliates have entered into note agreements, which are either unsecured or secured by the respective rental property, with various lenders:

	Accrued interest payable	Principal
Parent-company notes:		
On May 18, 2006, MHP entered into a grant agreement with the Maryland Affordable Housing Trust ("MAHT") in the amount of $100,000 to assist in the units to be constructed on the land owned and held by Beall's Grant. The agreement requires repayment of $50,000 with no interest, upon the closing of permanent financing for the property. The liability is determined to be an obligation of MHP.	$ -	$ 50,000
On December 13, 2018, MHP entered into a loan agreement with NeighborWorks Salt Lake 2017 AHMI Fund, LLC in the amount of $2,000,000. The loan bears interest at a rate of 5.50% per annum. Payments of interest-only are due and payable in equal consecutive quarterly installments of $27,500. All unpaid principal and interest are due on the maturity date, January 29, 2024. On May 20, 2024, the loan was extended until May, 20, 2029. The new loan bears interest at 5.99%. During 2024, interest expense of $96,902 was recorded on the consolidated statement of functional expenses.	30,616	2,000,000
On December 21, 2017, MHP entered into a loan agreement with First National Bank of Pennsylvania in the amount of $2,500,000. The loan bears interest at a variable rate equal to One Month LIBOR plus 2.75 percentage points (8.15% as of December 31, 2024) per annum. Payments of interest-only are due and payable monthly. All unpaid principal and interest are due on the maturity date of December 21, 2025. During 2024, $21,723 of interest was recorded on the consolidated statement of functional expenses.	-	283,009
On September 17, 2018, MHP entered into a loan agreement with Sandy Spring Bank in the amount of $750,000. The loan bears interest at a variable rate equal to the Lender's Prime Rate plus 0.5 percentage points (8.15% as of December 31, 2024) per annum. Payments of interest-only are due and payable monthly. All unpaid principal and interest are due on the maturity date, August 28, 2025. During 2024, interest expense of $21,615 was recorded on the consolidated statement of functional expenses.	-	260,100

	Accrued interest payable	Principal
Parent-company notes:		
On March 21, 2018, MHP entered into a loan agreement with Capital One Bank in the amount of $500,000. The loan bears interest at 1% per annum. The loan matures on October 1, 2024. On October 2, 2024, the note was repaid in full. During 2024, interest expense of $9,031 was recorded on the consolidated statement of functional expenses.	-	-
On March 7, 2018, MHP entered into a loan agreement with The Housing Partnership Trust Fund, Inc. in the amount of $3,000,000. The loan bears interest at 5.5% per annum. All unpaid principal and interest are due on the maturity date, May 7, 2025. During 2024, interest expense of $183,000 was recorded on the consolidated statement of functional expenses. Subsequent to December 31, 2024, on July 25, 2025, MHP entered into a loan agreement with The Housing Partnership Trust Fund, Inc. in the amount of $3,000,000. The loan bears inerest at a 6.0% per annum. All unpaid principal and interest are due on the maturity date, July 25, 2029.	-	3,000,000
On October 29, 2019, MHP entered into a loan agreement with Montgomery County, Maryland, in the amount of $250,000 to assist with renovations to Halpine Hamlet. The loan bears no interest and $7,353 of principal is forgiven annually. The loan matures on January 11, 2053.	-	250,000
On May 1, 2021, MHP entered into a loan agreement with Housing Partnership Fund in the amount of $840,000. The loan bears interest at 4.5% per annum. All unpaid principal and interest are due on the maturity date, May 1, 2030. During 2024, interest expense of $38,430 was recorded on the consolidated statement of functional expenses.	-	840,000
On September 30, 2020, MHP entered into a loan agreement with BlueHub Loan Fund Inc. in the amount of $3,000,000. The loan bears interest at 5.75% per annum. The loan matures on March 30, 2031. During 2024, interest expense of $172,500 was recorded on the consolidated statement of functional expenses.	166,875	3,000,000
Subtotal - parent-company	197,491	9,683,109

	Accrued interest payable	Principal
Parent-company notes:		
Subsidiaries' and Affiliates' notes:		
Permanent conventional loans, bearing compounding interest from 2% to 10%, generally with principal and interest due monthly, to be repaid in full on various maturity dates though September 2054. During 2024, interest expense of $11,515,226 was recorded to the consolidated statement of functional expenses.	2,576,165	313,674,240
Local agency loans, bearing-interest from 0% to 3%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through June 2054. During 2024, interest expense of $2,388,730 was recorded on the consolidated statement of functional expenses.	4,775,110	147,185,709
State agency loans, bearing-interest from 2% to 4%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through June 2054. During 2024, interest expense of $519,832 was recorded on the consolidated statement of functional expenses.	1,350,367	34,334,235
Federal agency loans, bearing-interest from 0% to 3%, generally payable annually from the respective property's net cash flow, if any, or forgiven over the loan term, to be repaid in full on various maturity dates through November 2042. During 2024, interest expense of $10,511 was recorded on the consolidated statement of functional expenses.	26,398	3,554,584
Subtotal - subsidiaries and affiliates	8,728,040	498,748,768
Total	$ 8,925,531	508,431,877
Less unamortized debt issuance costs		(12,838,180)
Net		$ 495,593,697

As of December 31, 2024, the outstanding principal balance of the secured and unsecured notes payable less unamortized debt issuance costs was $495,593,697. As of December 31, 2024, unamortized debt issuance costs of $12,838,180 consist of debt issuance costs of $17,434,266 less accumulated amortization of $4,596,086. Debt issuance costs are being amortized using various imputed interest rates of the individual loans. During the year ended December 31, 2024, amortization expense incurred was $1,467,211 and was included in interest expense on the consolidated statement of functional expenses.

The outstanding balance of unsecured notes payable consisted of the following at December 31, 2024:

Entity	Outstanding balance
MHP	$ 9,683,109
Scattered Site	563,618
Beall's Inc.	860,000
	11,106,727
Less unamortized debt issuance costs	(13,084)
	$ 11,093,643

The outstanding balance of secured notes payable consisted of the following at December 31, 2024:

Entity	Outstanding balance
Scattered Site	$ 20,816,097
Edinburgh House LP	4,410,959
Landing's Edge	3,028,480
Dring's Reach	10,323,133
Great Hope Homes	6,668,382
Greenwood Terrace	3,084,476
Blair Park	3,222,477
Pembridge Square	12,862,554
Flower Maple	3,706,051
Maple Towers	6,778,867
Takoma Park Preservation	8,920,080
Parkview Towers LP	14,171,013
Halpine Hamlet	8,745,076
MPDU Rental	3,112,279
North Frederick Owner	21,625,443
Silver Spring Avenue	1,412,211
Forest Glen 4	50,384,703
Forest Glen 9	21,957,673
Parkview Manor LLC	8,929,220
Silver Spring Library Residences LP	28,043,189
MHP WW Apartments	79,791,313
MHP Crescent Park	9,137,331
MHP Colonnade LLC	24,734,450
515 Thayer LLC	15,082,222
Beall's Grant Apartments LLC	8,864,007
Franklin LLC	36,181,347
Rollingwood	73,329,358
Nebel 4	7,065,139
Nebel 9	937,620
	497,325,150
Less unamortized debt issuance costs, net of accumulated amortization	(12,825,096)
Net	$ 484,500,054

The security for the secured notes payable consists of either first or subordinate mortgages on the respective rental properties.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which contemplates continuation of MHP as a going concern. Rollingwood has loans with Merchants Bank of Indiana that are maturing on January 10, 2026. Rollingwood does not have sufficient funds on hand to repay the outstanding balances of the loans in the amounts of $37,684,000 and $2,116,000, respectively. On July 21, 2025, management executed an extension with Merchants Bank of Indiana for the Facility A and Facility B loans that extended the maturity through January 10, 2026 and January 10, 2026, respectively, with an option to extend the maturity through July 10, 2026 and July 10, 2026, respectively.

Management's plan is to receive an allocation of low income housing tax credits in January 2026 which is expected to generate $62,346,622 of low income housing tax credits allocable to the limited partner. Management anticipates that capital contributions from the limited partner will be sufficient to satisfy maturing debt and anticipates the initiative to be successful.

The ability of Rollingwood to continue operations is dependent upon receiving an allocation of tax credits which raises substantial doubt regarding Rollingwood's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Aggregate annual maturities of the unsecured notes payable over each of the next five years and thereafter are as follows:

December 31, 2025	$ 4,966,727
2026	50,000
2027	-
2028	-
2029	2,000,000
Thereafter	4,090,000
	$ 11,106,727

Aggregate annual maturities of the secured notes payable over each of the next five years and thereafter are as follows:

December 31, 2025	$ 19,040,310
2026	84,124,900
2027	6,414,433
2028	6,414,868
2029	39,176,542
Thereafter	342,154,097
	$ 497,325,150

Note 6 - Net assets with donor restrictions

Donor-restricted funds are as follows as of December 31, 2024:

NeighborWorks America	
NeighborWorks	$ 172,500
Total NeighborWorks America	172,500
Various donors	1
Playground	4,673
Capital One	14,263
Meyer Foundation	50,139
IDA Program	69,157
SAHF	37,245
Rental Assist donation	40,733
Cafritz Foundation	150,000
Kaiser Permanente	230,255
TD Bank	92,055
United Healthcare	13,707
Robinson Foundation	1,759
Wells Fargo	385,725
Montgomery County	81,188
Scull Fund	5,691
Saint Mark	1,725
Robert Schattner Foundation	280
Total donor-restricted assets	$ 1,351,096

Note 7 - Right-of-use asset/ground lease

Silver Spring Library Residences LP has a lease arrangement with Montgomery County, Maryland (the "Lessor"), dated October 9, 2014. The Lessor is an unrelated party. The lease provides the Organization a right to use a parcel of land where the project is located for 77 years beginning on October 1, 2014 (the "Commencement Date"). The lease is classified as an operating lease. The lease term remaining at December 31, 2024 is 67 years.

Lease payments included in the measurement of the lease liability at December 31, 2024 total $1,675,000 for fixed payments.

The lease agreement requires an initial rental payment of $25,000. Lease rental payments are scheduled to be paid annually on April 1 in the amount of $25,000. Payment of scheduled lease payments is subject to available cash flows, as defined in the lease. Scheduled lease payments in excess of actual payment amounts can be deferred and are recorded as deferred lease payable. The remainder of the annual rent not paid in any one year shall be accrued and shall accrue interest at an annual interest rate equal to the greater of the long-term applicable federal rate at the Commencement Date (3.14%) or 2.89%. For the year ended December 31, 2024, rent expense of $25,000 was recorded on the consolidated statement of operations.

The lease liability at December 31, 2024 of $758,101 is the present value of remaining scheduled lease payments discounted using the Silver Spring Library Residences LP's implicit rate of 2.89%. It does not include any deferred lease payable amounts. Future remaining scheduled lease payments during the lease term are shown in the table below. The annual payment amounts are presented on an undiscounted basis along with a reconciliation to the lease liability on December 31, 2024, which is recorded on a present value basis, as described above.

December 31, 2025	$	25,000
2026		25,000
2027		25,000
2028		25,000
2029		25,000
Thereafter		1,550,000
Total		1,675,000
Less discount		(916,899)
Lease liability	$	758,101

Effective January 18, 2013, MHP entered into an agreement to lease office space from May 1, 2013 through August 31, 2020. On April 23, 2020, the lease agreement was amended and the term of the lease was extended through September 30, 2023. On April 12, 2023, the lease agreement was amended and the term of the lease was extended through January 31, 2029. The agreement requires annual rent payments of $220,884, increasing by 3% annually. The lease is classified as an operating lease. The lease term remaining at December 31, 2024 is four years.

Lease payments included in the measurement of the lease liability at December 31, 2024 total $992,193 for fixed payments.

The lease liability at December 31, 2024 of $926,304 is the present value of remaining scheduled lease payments discounted using the implicit rate of 3.41%. It does not include any deferred lease payable amounts. Future remaining scheduled lease payments during the lease term are shown in the table below. The annual payment amounts are presented on an undiscounted basis along with a reconciliation to the lease liability on December 31, 2024, which is recorded on a present value basis, as described above.

During 2024, rent expense of $208,910 was recorded on the consolidated statement of functional expenses. Rent expense is recorded as the average annual cost over the entire term of the lease.

The minimum future annual rents under the lease are as follows:

December 31, 2025	$	232,060
2026		239,022
2027		246,193
2028		253,579
2029		21,339
Total		992,193
Less discount		(65,889)
Lease liability	$	926,304

Note 8 - Commitments and contingencies

MHP is contingently liable with respect to certain obligations and guarantees, including the requirement to fund operating deficits, for Maple Towers, Edinburgh House LP, Halpine Hamlet, Parkview Towers LP, Beall's Grant Apartments, Parkview Manor, Silver Springs Library Residence, MHP Colonnade, MHP Flower Maple LLC, 515 Thayer LLC, Nebel 4, and Nebel 9 as provided for in the partnership and operating agreements.

The Organization has entered into construction contracts with various third-party contractors to construct and rehabilitate projects in the original amounts of $204,175,926. As of December 31, 2024, $23,764,456 remains payable and included in accounts payable -s construction on the consolidated statement of financial position.

The Affiliates' low-income housing credits will be contingent on their ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period, could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the limited partner or member.

Note 9 - Management agreement

The Affiliates and certain of the Subsidiaries have entered into management contracts with unrelated management companies to manage their respective rental activities. The agreements, entered into between January 1, 2001 and August 7, 2024, range in terms of one to two years and continue on a month-to-month or one-year basis after the original term of the agreement. The management fee of Landing's Edge, Beall's Grant Apartments, Dring's Reach, Greenwood, Blair Park, Pembridge Square, Maple Towers, Edinburgh House LP, Halpine Hamlet, Parkview Towers LP, Great Hope Homes, Scattered Site, Takoma Park Preservation, Parkview Manor, Flower Maple, Silver Spring Avenue, MPDU Rental, North Frederick Avenue, MHP Worthington Woods, MHP Crescent Park, North Frederick Owner, and WW Apartments is 3.25% of gross collections, as defined in their respective management agreements. The management fee of Forest Glen, Hillwood Manor, Silver Spring Library Residences LP, 515 Thayer LLC, and MHP Colonnade LLC is 4.5% of adjusted gross receipts, as defined in their respective management agreements. The management fee of MHP Franklin LLC is 4.25% of adjusted gross receipts, as defined in its respective management agreement. The management fee of Rollingwood is 3% of adjusted gross receipts, as defined in its respective management agreement. The management fee of Nebel 4 and Nebel 9 is 4% of gross rent collections, provided that minimum monthly payments shall not be less than $3,000, as defined in their respective management agreements. During 2024, management fees of $1,202,852 were recorded on the consolidated statement of functional expenses.

Note 10 - Restricted project reserves

Certain of MHP and its Subsidiaries and Affiliates are required to establish and maintain operating and other restricted reserve accounts.

The restricted project reserve balances as of December 31, 2024 are as follows:

Entity	Balance
Scattered Site	$ 6,543,007
Landing's Edge	447,985
Dring's Reach	611,508
Great Hope Homes	1,089,795
Greenwood Terrace	1,346,981
Blair Park	548,235
Pembridge Square	688,188
Takoma Park Preservation	485,664
MHP	270,452
Maple Towers	295,878
Parkview Towers LP	654,139
Flower Maple	213,498
Edinburgh House LP	99,896
MPDU Rental	275,236
Silver Spring Avenue	132,123
North Frederick Avenue	420,515
North Frederick Owner	258,583
Halpine Hamlet	565,110
Forest Glen	113,737
Forest Glen 4	168,487
515 Thayer LLC	366,620
Beall's Grant Apartments LLC	685,705
Parkview Manor LLC	238,253
MHP WW Apartments	1,839,193
MHP Crescent Park	779,623
Silver Spring Library Residences LP	1,658,383
MHP Colonnade LLC	732,151
MHP Franklin LLC	214,261
MHP Rollingwood Venture LP	743,007
MHP Nebel 4 LLC	1,337,229
	$ 23,823,442

Note 11 - Concentration of credit risk

The Organization maintains cash and cash equivalents balances in accounts in various banks and escrows and reserves held in trust with the lender. At times, these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash, cash equivalents, escrow and reserve balances at December 31, 2024.

Note 12 - MPDU resale initiative

During fiscal year 2003, the Organization entered a program to include the purchase, rehabilitation and resale of single-family homes throughout Montgomery County, Maryland. The acquisition and

rehabilitation costs of the homes are financed through a noninterest-bearing loan from Montgomery County. Acquisition and rehabilitation costs for the homes owned at December 31, 2024 of $276,548 were included in development-in-progress on the consolidated statement of financial position. In accordance with the loan agreement with Montgomery County, Maryland, the loss incurred from the sale of the homes during prior years resulted in an aggregate loss of $361,051 have adjusted the balance of the unsecured note payable to Montgomery County Department of Housing and Community Affairs ("MCDHCA") on the consolidated statement of financial position. During 2024, no additional losses were incurred.

Note 13 - Development fee

Development fees earned are paid from the project's equity and debt proceeds at the completion of the construction of the project. These fees are recognized over the development period beginning when the project is assured of being constructed, as evidenced by the admission of an equity partner, as units are delivered or based on the external construction costs incurred as a percentage of the total external construction costs expected, and concluding with the application for final allocation of tax credits. Any portion of the development fee not expected to be paid using contributions from the equity partner, such as out of cash flow from operations, represents variable consideration.

The Organization estimates whether it will be entitled to variable consideration under the terms of the development agreement and includes its estimate of variable consideration in the total development fee amount when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur in accordance with the accounting guidance in ASC Topic 606, *Revenue from Contracts with Customers*, on constraining estimates of variable consideration, which typically includes the following factors:

- The susceptibility of the consideration amount to factors outside the project's influence, including insufficient equity and debt proceeds at the completion of the construction of the project.
- Whether the uncertainty about the consideration amount is not expected to be resolved for a long period of time.
- MHP's experience with similar types of agreements.
- Whether MHP expects to offer changes to payment terms.
- The range of possible consideration amounts.

The cumulative amount of development fees earned over the development agreement is updated at each reporting period based on the project's estimate of the variable consideration using available information at the reporting date. Developer fee receivable, developer fee income, and deferred developer fee earned from subsidiaries and payable from operational cash flow of the respective projects are eliminated in consolidation.

Note 14 - Fair value

The accounting standard for fair value measurement and disclosures defines fair value, establishes a framework for measuring fair value, and provides for expanded disclosure about fair value measurements. Fair value is defined by the accounting standard for fair value measurement and

disclosures as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels. The following summarizes the three levels of inputs and hierarchy of fair value the Organization uses when measuring fair value:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access;

- Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as interest rates and yield curves that are observable at commonly quoted intervals; and

- Level 3 inputs are unobservable inputs for the asset or liability that are typically based on an entity's own assumptions as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of the interest rate swaps at December 31, 2024 of $2,343,165 is classified within Level 2 of the fair value hierarchy. No other assets or liabilities are measured at fair value as of December 31, 2024. The following table presents the financial assets measured at fair value on a recurring basis as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Interest rate swap	$ -	$ 2,343,165	$ -	$ 2,343,165
Total	$ -	$ 2,343,165	$ -	$ 2,343,165

On a recurring basis, the Organization measures its interest rate swaps and caps at their estimated fair value. In determining the fair value of the interest rate swaps and caps, management uses the present value of expected cash flows based on the market observable interest rate yield curve commensurate with the term of the instrument. The Organization incorporates credit valuation adjustments to appropriately reflect both the Organization's nonperformance risk and that of the respective counterparty in the fair value measurement. The credit valuation adjustments utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by either the respective counterparty or the Organization. However, management has determined that as of December 31, 2024 the impact of the credit valuation adjustments was not significant to the overall valuation of the swaps or cap. As a result, the fair value of the swaps and cap is considered to be based primarily on Level 2 inputs.

Note 15 - Asset management and incentive management fees

MHP receives asset management and incentive management fees from some of its Subsidiaries and Affiliates. Asset management and incentive management fees earned from Subsidiaries and Affiliates during 2024 have been eliminated in the consolidated financial statements.

Note 16 - Resident social program fees

MHP receives a resident social program fee from some of its Subsidiaries and Affiliates. Resident social program fees earned during 2024 have been eliminated in the consolidated financial statements.

Note 17 - Development-in-progress

Some of the Subsidiaries and Affiliates acquire properties for the purpose of rehabilitating or constructing residential real estate projects.

Development-in-progress consisted of the following acquisition and rehabilitation costs at December 31, 2024:

Entity	Balance
MHP predevelopment costs	$ 28,491
Scattered Site	276,548
Beall's Grant	500,000
Parkview Towers LP	687,859
Landing's Edge	3,037,509
Forest Glen 4	22,963,498
Forest Glen 9	47,496,788
North Frederick Owner	4,862,952
MHP WW Apartments	30,171,003
MHP Franklin LLC	79,812
Rollingwood	1,884,812
Nebel 4	7,193,022
Nebel 9	1,813,346
	$ 120,995,640

Note 18 - Housing assistance contracts

HUD has contracted with Great Hope Homes and MHP Franklin, under Section 8 of Title II of the Housing and Community Development Act of 1974, to make housing assistance payments to the Organization on behalf of qualified tenants. The agreements covers 21 units at Great Hope Homes and 183 units at MHP Franklin and expires April 1, 2035 and July 3, 2030, respectively. During 2024, housing assistance payments of $3,243,856 were included in rental revenue on the consolidated statement of activities.

Greenwood Terrace, Blair Park and Parkview Manor have entered into a contract with the Public Housing Authority under the Housing Choice Voucher Program. During 2024, 11 units at Greenwood Terrace, 14 units at Blair Park, and 10 units at Parkview Manor were occupied by voucher tenants. The agreements are for a five-year period, which commenced in 2023.

Note 19 - Tenant vouchers

Residents of Beall's Grant, Landing's Edge, Dring's Reach, Maple Towers, Parkview Towers LP, Scattered Site, Halpine Hamlet, Edinburgh House LP, Flower Maple, Silver Spring Avenue,

Pembridge Square, Takoma Park Preservation, Silver Spring Library Residences LP, 515 Thayer LLC, MHP Colonnade, WW Apartments, North Frederick Owner, MHP Worthington Woods and MHP Crescent Park receive tenant-based housing assistance payment vouchers from the Housing Opportunities Commission of Montgomery County, Maryland. During 2024, tenant voucher income of $3,894,743 was included in rental revenue on the consolidated statement of activities.

Note 20 - Current vulnerability and economic dependency

The Subsidiaries' and Affiliates' principal assets are apartment projects. Their operations are concentrated in the multi-family real estate market. In addition, some of the projects operate in a heavily regulated environment. The operations of the Subsidiaries and Affiliates are subject to the administrative directives, rules and regulations of federal and state agencies, including, but not limited to, HUD, MCDHCA or the Department of Housing and Community Development ("DHCD"). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD, MCDHCA or DHCD. Additionally, operations could be affected by changes in the economic or other conditions in that geographical area or by changes in low-income housing subsidies or the demand for such housing. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Note 21 - Guarantees

MHP has guaranteed payment of the mortgages executed by eleven of its Subsidiaries in the following amount:

Entity	Balance
North Frederick Owner	$ 12,416,863
Dring's Reach	10,323,133
MHP Colonnade LLC	10,173,815
MHP WW Apartments LLC	48,228,839
Rollingwood Venture LP	69,728,254
MHP Forest Glen 9 LP	8,754,566
MHP Forest Glen 4 LP	22,048,675
MHP Franklin LLC	6,562,500
Scattered Site	9,521,953
MHP Nebel 4 LLC	709,814
MHP Nebel 9 LLC	648,914
	$ 199,117,326

MHP has guaranteed payment of the mortgage in the amount of $20,790,000 of one Company for which MHP has an equity method investment in partnerships.

In addition, some of MHP's Subsidiaries and Affiliates serve as the general partner or general member for various entities that own affordable housing properties. The investors in these entities usually require guarantees from MHP on behalf of the general partner or general member as a condition of their investment. Generally, these guarantees are for obligations such as funding of operating deficits, completion of construction and tax credit recapture price adjusters.

Note 22 - P.I.L.O.T. agreements

Landing's Edge, Edinburgh House LP, Maple Towers, and Halpine Hamlet entered into a P.I.L.O.T. agreement with Montgomery County, Maryland. The agreement provides for payment in lieu of County and special area real property taxes to an amount computed annually by the State Department of Assessments and Taxation. Additionally, Maple Towers entered into a P.I.L.O.T. agreement with City of Takoma Park, Maryland. The city agreement provides for a 100% abatement of city real property taxes on the property for levy years 2009 through 2018. Beginning in tax levy year 2019, the agreement provides for a 50% abatement of real property taxes on the property. During 2024, total real estate taxes of $86,505 were incurred by Landing's Edge, Edinburgh House LP, Maple Towers, and Halpine Hamlet and recorded on the consolidated statement of functional expenses.

MPDU Rental, North Frederick Owner and Parkview Towers LP entered into a P.I.L.O.T. agreement with Montgomery County, Maryland. The agreement provides for a 100% reduction of County and special real estate property taxes, pursuant to the agreement requirements. During 2024, total real estate taxes of $83,045 incurred by MPDU Rental, North Fredrick Owner, and Parkview Towers LP and recorded on the consolidated statement of functional expenses.

515 Thayer LLC and MHP Colonnade LLC entered into a P.I.L.O.T. agreement with Montgomery County, Maryland. The agreement provides for a payment equal to the lesser of the county property taxes assuming the property were not exempt or $50,300 and $16,549, respectively. During 2024, total real estate taxes of $95,065 were incurred by 515 Thayer LLC and MHP Colonnade LLC and recorded on the consolidated statement of functional expenses.

Silver Spring Library Residences LP entered into a P.I.L.O.T. agreement with Montgomery County, Maryland. The agreement provides for 100% reduction of the County and special area real property taxes. During 2024, Silver Spring Library Residences LP incurred real estate taxes of $23,304 related to solid waste charges.

MHP Franklin LLC entered into a P.I.L.O.T. agreement with Montgomery County, Maryland. Per the agreement, the Company shall be 100% exempt from paying the County real property taxes that would be levied as if the property were not exempt. The Company must pay all State and municipal taxes, unless waived or abated by the State or municipality. During 2024, MHP Franklin LLC incurred real estate taxes of $72,802 and recorded on the consolidated statement of functional expenses.

Rollingwood entered into a P.I.L.O.T agreement with Montgomery County, Maryland. The agreement with Montgomery County, Maryland provides for payment, in lieu of County real property taxes, to an amount computed annually by the State Department of Assessments and Taxation. During the year ended December 31, 2024, real estate taxes of $117,499 were recorded on the consolidated statement of functional expenses.

Note 23 - Tax relief certification

On September 25, 2021, MHP Crescent Park entered into a tax relief certification with the District of Columbia, a municipal corporation acting by and through the D.C. Department of Housing and Community Development. The tax relief certification provides tax exemptions for the project under the Tax Relief Program, as defined.

Note 24 - Investor services fee

Beall's Grant Apartments LLC, Halpine Hamlet, Edinburgh House LP, Silver Spring Library Residences LP, Parkview Manor, Maple Towers LLC, 515 Thayer, MHP Colonnade, North Frederick Owner and Parkview Towers LP owe an annual investor services fee to the limited partner for services provided in connection with operations. During 2024, investor services fees totaling $55,483 were incurred and included in other financial expenses on the consolidated statement of functional expenses. As of December 31, 2024, accrued investor service fees of $44,327 remain payable and are included in accounts payable and accrued expenses on the consolidated statement of financial position.

Note 25 - Consolidated statement of cash flows

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statement of financial position that sum to the total of the same such amounts in the consolidated statement of cash flows:

Cash and cash equivalents	$ 30,113,375
Funded residents' security deposits	1,642,866
Restricted project reserves	10,434,400
Total cash, cash equivalents, and restricted cash shown on the consolidated statement of cash flows	$ 42,190,641

Amounts included in restricted cash are comprised of security deposits held in trust for the future benefit of tenants upon moving out of the property and other reserves as required by regulatory authority and the partnership and/or operating agreements.

Note 26 - Subsequent events

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through August 5, 2025 (the date the consolidated financial statements were available to be issued) and concluded that other than the subsequent events described in Note 5, no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

Supplementary Information

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidating Statement of Financial Position
December 31, 2024
(With Summarized Comparative Information at December 31, 2023)

	MHP, Inc.	MHP Scattered Site, Inc.	Wholly Owned Properties*	LP Properties^	Eliminations	2024 Consolidated	2023 Consolidated
ASSETS							
Cash and cash equivalents	$ 19,241,749	$ 1,706,054	$ 3,559,453	$ 5,472,240	$ 133,879	$ 30,113,375	$ 29,855,274
Investments	350,350	526,772	-	-	-	877,122	870,876
Accounts receivable - residents	-	171,307	466,858	464,883	8,844	1,111,892	1,236,186
Accounts receivable - grants	975,112	-	-	-	-	975,112	483,711
Accounts receivable - other	1,118,354	57,067	3,663,068	213,973	(3,405,832)	1,646,630	2,443,516
Accounts receivable - development fee	11,440,329	-	-	-	(11,440,329)	-	-
Mortgage escrow deposits	-	130,121	453,958	632,056	-	1,216,135	1,357,909
Due from subsidiaries and affiliates	703,127	126,341	5,398,130	87,524	(6,315,122)	-	-
Prepaid expenses	70,970	126,058	459,335	633,030	-	1,289,393	1,172,295
Restricted project reserves	270,452	6,543,007	7,422,168	9,587,815	-	23,823,442	22,130,332
Property and equipment, net	42,588	13,851,741	155,403,404	216,748,241	(11,073,974)	374,972,000	349,792,221
Development-in-progress	28,491	-	5,502,133	117,946,877	(2,758,409)	120,719,092	51,847,350
Funded residents' security deposits	-	195,263	747,630	699,973	-	1,642,866	1,618,713
Deposits	18,441	99,732	19,265	97,663	-	235,101	880,534
Development-in-progress - MPDU resale initiative	-	276,548	-	-	-	276,548	284,784
Loan receivable - affiliates	23,009,685	-	2,416,976	8,824	(25,435,485)	-	-
Investment in organizations	5,281,075	-	-	-	(4,439,750)	841,325	752,505
Tax credit fees, net	-	-	10,281	572,212	-	582,493	365,921
Other assets	-	-	233,761	2,129,390	-	2,363,151	3,418,613
Right-of-use asset	926,304	-	-	758,101	-	1,684,405	1,878,898
Total assets	$ 63,477,027	$ 23,810,011	$ 185,756,420	$ 356,052,802	$ (64,726,178)	$ 564,370,082	$ 470,389,638

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidating Statement of Financial Position
December 31, 2024
(With Summarized Comparative Information at December 31, 2023)

LIABILITIES	MHP, Inc.	MHP Scattered Site, Inc.	Wholly Owned Properties*	LP Properties^	Eliminations	2024 Consolidated	2023 Consolidated
Accounts payable and accrued expenses	$ 629,343	$ 239,686	$ 1,763,331	$ 2,069,276	$ (706,019)	$ 3,995,617	$ 2,203,219
Accounts payable - construction	-	-	301,804	23,792,227	(329,575)	23,764,456	21,363,831
Accrued interest payable	197,491	229,588	5,424,314	8,234,112	(5,159,974)	8,925,531	6,790,131
Due to subsidiary and affiliates	-	-	1,675,905	266,555	(1,942,460)	-	-
Prepaid rents	-	42,662	164,125	226,286	-	433,073	403,901
Deferred revenue	427,099	-	255,837	874,842	(427,099)	1,130,679	1,293,029
Deferred development fee revenue	-	-	84,413	11,892,178	(11,440,330)	536,261	-
Residents' security deposits	-	177,752	682,639	713,103	-	1,573,494	1,548,003
Other liabilities	-	-	-	722,437	-	722,437	756,352
Lease liability	926,304	-	-	758,101	-	1,684,405	1,878,898
Secured notes payable	-	20,739,682	173,997,481	313,015,205	(23,252,314)	484,500,054	406,403,550
Unsecured notes payable	9,870,025	831,068	1,265,650	-	(873,100)	11,093,643	11,580,850
Total liabilities	12,050,262	22,260,438	185,615,499	362,564,322	(44,130,871)	538,359,650	454,221,764
Commitments and contingencies	-	-	-	-	-	-	-
Net assets without donor restrictions	50,075,669	1,549,573	140,921	(30,665,530)	(20,595,307)	505,326	(154,175)
Net assets with donor restrictions	1,351,096	-	-	-	-	1,351,096	2,138,235
Noncontrolling interest	-	-	-	24,154,010	-	24,154,010	14,183,814
	$ 63,477,027	$ 23,810,011	$ 185,756,420	$ 356,052,802	$ (64,726,178)	$ 564,370,082	$ 470,389,638

* - Properties included in column are: Blair Park Apartments, L.P., MHP TPP, LLC, MHP Town Centre, Inc., MHP DRHC, Inc., MHP Edinburgh House, Inc., MHP Landing's Edge, Inc., MHP Bealls, Inc., MHP Flower-Maple, LLC, MHP Parkview Towers, LLC, MHP MPDU Rental, Inc., MHP 610-614 SSA, LLC, MHP North Frederick Avenue, LLC, MHP Parkview Towers, Inc., MHP Forest Glen, LLC, MHP Hillwood Manor, LLC, Great Hope Homes 2001, L.P., Greenwood Terrace Apartments L.P., MHP Worthington Woods LLC, MHP Crescent Park Village LLC, MHP Franklin LLC, and Rollingwood Venture LP.

^ - Properties included in column are: Pembridge Square Apartments, L.P., MHP Maple Towers, LLC, MHP Edinburgh House LP, MHP Halpine LP, MHP Parkview Towers, LP, Beall's Grant Apartments LLC, MHP Parkview Manor LLC, Silver Spring Library Residences LP, 515 Thayer LLC, MHP Colonnade LLC, MHP North Frederick Owner LLC, MHP WW Apartments LLC, MHP Forest Glen 4 LP, MHP Forest Glen 9 LP, MHP Nebel 4 LLC and MHP Nebel 9 LLC.

See Independent Auditor's Report.

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidating Statement of Financial Position
December 31, 2023

	MHP, Inc.	MHP Scattered Site, Inc.	Wholly Owned Properties*	LP Properties^	Eliminations	2023 Consolidated
ASSETS						
Cash and cash equivalents	$ 18,815,888	$ 1,802,366	$ 3,870,060	$ 5,342,780	$ 24,180	$ 29,855,274
Investments	344,104	526,772	-	-	-	870,876
Accounts receivable - residents	-	127,442	563,583	545,161	-	1,236,186
Accounts receivable - grants	483,711	-	-	-	-	483,711
Accounts receivable - other	1,136,588	53,728	2,332,772	372,937	(1,452,509)	2,443,516
Accounts receivable - development fee	5,031,357	-	-	-	(5,031,357)	-
Mortgage escrow deposits	-	196,275	697,927	463,707	-	1,357,909
Due from subsidiaries and affiliates	1,724,725	127,288	3,933,443	22,674	(5,808,130)	-
Prepaid expenses	88,260	103,901	387,699	592,435	-	1,172,295
Restricted project reserves	269,767	6,565,101	8,432,449	6,863,015	-	22,130,332
Property and equipment, net	29,620	14,113,951	158,010,670	188,984,140	(11,346,160)	349,792,221
Development-in-progress	3,346,983	5,990	1,591,675	46,902,702	-	51,847,350
Funded residents' security deposits	-	194,259	702,910	721,544	-	1,618,713
Deposits	668,441	99,732	19,265	93,096	-	880,534
Development-in-progress - MPDU resale initiative	-	284,784	-	-	-	284,784
Loan receivable - affiliates	16,393,112	-	5,180,392	7,374	(21,580,878)	-
Investment in organizations	5,485,702	-	-	-	(4,733,197)	752,505
Tax credit fees, net	-	-	5,680	360,241	-	365,921
Other assets	-	-	855,842	2,562,771	-	3,418,613
Right-of-use asset	1,117,091	-	-	761,807	-	1,878,898
Total assets	$ 54,935,349	$ 24,201,589	$ 186,584,367	$ 254,596,384	$ (49,928,051)	$ 470,389,638

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidating Statement of Financial Position
December 31, 2023

LIABILITIES	MHP, Inc.	MHP Scattered Site, Inc.	Wholly Owned Properties*	LP Properties^	Eliminations	2023 Consolidated
Accounts payable and accrued expenses	$ 630,103	$ 84,706	$ 1,132,769	$ 1,379,618	$ (1,023,977)	$ 2,203,219
Accounts payable - construction	128,668	-	206,797	22,057,513	(1,029,147)	21,363,831
Accrued interest payable	156,122	180,752	4,459,169	5,988,967	(3,994,879)	6,790,131
Due to subsidiary and affiliates	-	-	1,657,804	303,249	(1,961,053)	-
Prepaid rents	-	30,612	141,506	231,783	-	403,901
Deferred revenue	519,885	-	271,287	928,956	(427,099)	1,293,029
Deferred development fee revenue	-	-	84,413	4,946,943	(5,031,356)	-
Residents' security deposits	-	178,548	644,899	724,556	-	1,548,003
Other liabilities	-	-	-	756,352	-	756,352
Lease liability	1,117,091	-	-	761,807	-	1,878,898
Secured notes payable	-	21,172,700	170,449,285	232,133,097	(17,351,532)	406,403,550
Unsecured notes payable	10,357,232	831,068	1,265,650	-	(873,100)	11,580,850
Total liabilities	12,909,101	22,478,386	180,313,579	270,212,841	(31,692,143)	454,221,764
Commitments and contingencies	-	-	-	-	-	-
Net assets without donor restrictions	39,888,013	1,723,203	6,270,788	(29,800,271)	(18,235,908)	(154,175)
Net assets with donor restrictions	2,138,235	-	-	-	-	2,138,235
Noncontrolling interest	-	-	-	14,183,814	-	14,183,814
	$ 54,935,349	$ 24,201,589	$ 186,584,367	$ 254,596,384	$ (49,928,051)	$ 470,389,638

* - Properties included in column are: Blair Park Apartments, L.P., MHP TPP, LLC, MHP Town Centre, Inc., MHP DRHC, Inc., MHP Edinburgh House, Inc., MHP Landing's Edge, Inc., MHP Bealls, Inc., MHP Flower-Maple, LLC, MHP Parkview Towers, LLC, MHP MPDU Rental, Inc., MHP 610-614 SSA, LLC, MHP North Frederick Avenue, LLC, MHP Parkview Towers, Inc., MHP Forest Glen, LLC, MHP Hillwood Manor, LLC, Great Hope Homes 2001, L.P., Greenwood Terrace Apartments L.P., MHP Worthington Woods LLC, MHP Crescent Park Village LLC, MHP Franklin LLC, and Rollingwood Venture LP.

^ - Properties included in column are: Pembridge Square Apartments, L.P., MHP Maple Towers, LLC, MHP Edinburgh House LP, MHP Halpine LP, MHP Parkview Towers, LP, Beall's Grant Apartments LLC, MHP Parkview Manor LLC, Silver Spring Library Residences LP, 515 Thayer LLC, MHP Colonnade LLC, MHP North Frederick Owner LLC, MHP WW Apartments LLC, MHP Forest Glen 4 LP and MHP Forest Glen 9 LP.

See Independent Auditor's Report.

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidating Statement of Activities
Year Ended December 31, 2024
(With Summarized Comparative Information at December 31, 2023)

	MHP, Inc.	MHP Scattered Site, Inc.	Wholly Owned Properties*	LP Properties^	Eliminations	2024 Consolidated	2023 Consolidated
REVENUE							
Rental revenue, net	$ -	$ 3,938,124	$ 19,916,065	$ 16,230,377	$ -	$ 40,084,566	$ 38,726,532
Grants	4,094,517	-	-	25,000	-	4,119,517	2,239,523
Cash contributions	948,123	-	-	-	-	948,123	1,698,040
Development fees	9,888,203	-	-	-	(2,708,408)	7,179,795	6,471,722
Asset and incentive management fees	2,240,180	-	-	-	(2,240,180)	-	-
Interest and dividend income	1,414,542	169,820	1,101,968	247,099	(1,821,895)	1,111,534	974,952
Special events	57,792	-	-	-	-	57,792	73,355
Other income	-	50,576	447,718	407,799	30,008	936,101	1,103,939
Total revenue	18,643,357	4,158,520	21,465,751	16,910,275	(6,740,475)	54,437,428	51,288,063

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidating Statement of Activities
Year Ended December 31, 2024
(With Summarized Comparative Information at December 31, 2023)

EXPENSES	MHP, Inc.	MHP Scattered Site, Inc.	Wholly Owned Properties*	LP Properties^	Eliminations	2024 Consolidated	2023 Consolidated
Administrative	$ 781,129	$ 425,106	$ 2,219,745	$ 2,281,057	$ (87,203)	$ 5,619,834	$ 4,786,179
Salaries and benefits	5,611,661	481,506	448,770	269,149	-	6,811,086	6,197,125
Rent expense	233,910	-	-	-	-	233,910	239,741
Other	1,056,091	-	-	-	-	1,056,091	1,117,945
Professional services	856,176	-	-	-	-	856,176	812,296
Fundraising events	93,235	-	-	-	-	93,235	65,509
Utilities	1,162	239,378	1,792,730	2,052,937	-	4,086,207	3,983,974
Operating and maintenance	2,602	797,854	4,564,481	3,964,272	-	9,329,209	7,941,523
Taxes	-	177,551	635,732	680,146	-	1,493,429	1,297,515
Insurance	35,838	130,664	777,179	651,163	-	1,594,844	1,471,619
Interest	562,245	703,733	8,258,198	8,088,925	(1,168,390)	16,444,711	16,376,302
Other financial expenses	-	585,905	3,029,492	1,122,289	(2,072,227)	2,665,459	1,656,001
Management fees	-	127,737	482,616	592,499	-	1,202,852	1,160,666
Depreciation and amortization	8,791	662,716	4,645,485	6,657,964	(251,750)	11,723,206	11,836,910
Total expenses	9,242,840	4,332,150	26,854,428	26,360,401	(3,579,570)	63,210,249	58,943,305
CHANGE IN NET ASSETS	$ 9,400,517	$ (173,630)	$ (5,388,677)	$ (9,450,126)	$ (3,160,905)	$ (8,772,821)	$ (7,655,242)

* - Properties included in column are: Blair Park Apartments, L.P., MHP TPP, LLC, MHP Town Centre, Inc., MHP DRHC, Inc., MHP Edinburgh House, Inc., MHP Landing's Edge, Inc., MHP Bealls, Inc., MHP Flower-Maple, LLC, MHP Parkview Towers, LLC, MHP MPDU Rental, Inc., MHP 610-614 SSA, LLC, MHP North Frederick Avenue, LLC, MHP Parkview Towers, Inc., MHP Forest Glen, LLC, MHP Hillwood Manor, LLC, Great Hope Homes 2001, L.P., Greenwood Terrace Apartments L.P., MHP Worthington Woods LLC, MHP Crescent Park Village LLC, MHP Franklin LLC, and Rollingwood Venture LP.

^ - Properties included in column are: Pembridge Square Apartments, L.P., MHP Maple Towers, LLC, MHP Edinburgh House LP, MHP Halpine LP, MHP Parkview Towers, LP, Beall's Grant Apartments LLC, MHP Parkview Manor LLC, Silver Spring Library Residences LP, 515 Thayer LLC, MHP Colonnade LLC, MHP North Frederick Owner LLC, MHP WW Apartments LLC, MHP Forest Glen 4 LP, MHP Forest Glen 9 LP, MHP Nebel 4 LLC and MHP Nebel 9 LLC.

See Independent Auditor's Report.

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidating Statement of Activities
Year Ended December 31, 2023

	MHP, Inc.	MHP Scattered Site, Inc.	Wholly Owned Properties*	LP Properties^	Eliminations	2023 Consolidated
REVENUE						
Rental revenue, net	$ -	$ 3,617,293	$ 21,823,256	$ 13,285,983	$ -	$ 38,726,532
Grants	2,214,523	-	-	25,000	-	2,239,523
Cash contributions	1,698,040	-	-	-	-	1,698,040
Development fees	4,285,426	-	-	-	2,186,296	6,471,722
Asset and incentive management fees	1,662,349	-	-	-	(1,662,349)	-
Interest and dividend income	1,644,954	41,931	972,564	162,979	(1,847,476)	974,952
Resident social program fees	-	-	-	-	-	-
Special events	73,355	-	-	-	-	73,355
Gain from forgiveness of long-term debt	-	-	-	-	-	-
Other income	-	26,726	698,529	378,684	-	1,103,939
Total revenue	11,578,647	3,685,950	23,494,349	13,852,646	(1,323,529)	51,288,063

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidating Statement of Activities
Year Ended December 31, 2023

EXPENSES	MHP, Inc.	MHP Scattered Site, Inc.	Wholly Owned Properties*	LP Properties^	Eliminations	2023 Consolidated
Administrative	676,608	195,618	2,433,007	1,643,333	(162,387)	4,786,179
Salaries and benefits	4,834,906	481,079	639,516	241,624	-	6,197,125
Rent expense	239,741	-	-	-	-	239,741
Other	1,117,945	-	-	-	-	1,117,945
Professional services	812,296	-	-	-	-	812,296
Fundraising events	65,509	-	-	-	-	65,509
Utilities	-	220,851	2,097,080	1,666,043	-	3,983,974
Operating and maintenance	10,006	611,392	4,257,879	3,035,890	26,356	7,941,523
Taxes	-	169,099	555,068	573,348	-	1,297,515
Insurance	26,625	119,234	763,691	562,069	-	1,471,619
Interest	779,229	752,865	10,699,093	5,560,277	(1,415,162)	16,376,302
Other financial expenses	-	322,765	1,763,340	1,199,814	(1,629,918)	1,656,001
Management fees	-	126,104	520,527	514,035	-	1,160,666
Depreciation and amortization	1,825	638,783	5,279,360	6,145,385	(228,443)	11,836,910
Total expenses	8,564,690	3,637,790	29,008,561	21,141,818	(3,409,554)	58,943,305
CHANGE IN NET ASSETS	$ 3,013,957	$ 48,160	$ (5,514,212)	$ (7,289,172)	$ 2,086,025	$ (7,655,242)

* - Properties included in column are: Blair Park Apartments, L.P., MHP TPP, LLC, MHP Town Centre, Inc., MHP DRHC, Inc., MHP Edinburgh House, Inc., MHP Landing's Edge, Inc., MHP Bealls, Inc., MHP Flower-Maple, LLC, MHP Parkview Towers, LLC, MHP MPDU Rental, Inc., MHP 610-614 SSA, LLC, MHP North Frederick Avenue, LLC, MHP Parkview Towers, Inc., MHP Forest Glen, LLC, MHP Hillwood Manor, LLC, Great Hope Homes 2001, L.P., Greenwood Terrace Apartments L.P., MHP Worthington Woods LLC, MHP Crescent Park Village LLC, MHP Franklin LLC, and Rollingwood Venture LP.

^ - Properties included in column are: Pembridge Square Apartments, L.P., MHP Maple Towers, LLC, MHP Edinburgh House LP, MHP Halpine LP, MHP Parkview Towers, LP, Beall's Grant Apartments LLC, MHP Parkview Manor LLC, Silver Spring Library Residences LP, 515 Thayer LLC, MHP Colonnade LLC, MHP North Frederick Owner LLC, MHP WW Apartments LLC, MHP Forest Glen 4 LP and MHP Forest Glen 9 LP.

See Independent Auditor's Report.

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

Consolidating Statement of Changes in Net Assets
Year Ended December 31, 2024

	Net assets without donor restrictions								Net assets with donor restrictions	Net assets
	Controlling						Noncontrolling	Total	Controlling	Total
	MHP, Inc.	MHP Scattered Site, Inc.	Wholly Owned Properties*	LP Properties ^	Eliminations	Subtotal	MHP, Inc.		MHP, Inc.	
Beginning balance, January 1, 2024	$ 39,888,013	$ 1,723,203	$ 6,270,788	$ (29,800,271)	$ (18,235,908)	$ (154,175)	$ 14,183,814	$ 14,029,639	$ 2,138,235	$ 16,167,874
Capital contributions from controlling interest	-	-	50,000	128,950	(178,950)	-	-	-	-	-
Capital contributions from noncontrolling interests	-	-	-	-	-	-	18,851,023	18,851,023	-	18,851,023
Distributions to controlling interests	-	-	(791,190)	(189,266)	980,456	-	-	-	-	-
Distributions to noncontrolling interests	-	-	-	-	-	-	(37,342)	(37,342)	-	(37,342)
Syndication costs	-	-	-	-	-	-	(198,302)	(198,302)	-	(198,302)
Excess of revenue over expenses (expenses over revenue)	10,187,656	(173,630)	(5,388,677)	(804,943)	(3,160,905)	659,501	(8,645,183)	(7,985,682)	(787,139)	(8,772,821)
Ending balance, December 31, 2024	$ 50,075,669	$ 1,549,573	$ 140,921	$ (30,665,530)	$ (20,595,307)	$ 505,326	$ 24,154,010	$ 24,659,336	$ 1,351,096	$ 26,010,432

* Properties included in column are: Blair Park Apartments, L.P., MHP TPP, LLC, MHP Town Centre, Inc., MHP DRHC, Inc., MHP Edinburgh House, Inc., MHP Landing's Edge, Inc., MHP Bealls, Inc., MHP Flower-Maple, LLC, MHP Parkview Towers, LLC, MHP MPDU Rental, Inc., MHP 610-614 SSA, LLC, MHP North Frederick Avenue, LLC, MHP Parkview Towers, Inc., MHP Forest Glen, LLC, MHP Hillwood Manor, LLC, Great Hope Homes 2001, L.P., Greenwood Terrace Apartments L.P., MHP Worthington Woods LLC, MHP Crescent Park Village LLC, MHP Franklin LLC, and Rollingwood Venture LP.

^ Properties included in column are: Pembridge Square Apartments, L.P., MHP Maple Towers, LLC, MHP Edinburgh House LP, MHP Halpine LP, MHP Parkview Towers, LP, Beall's Grant Apartments LLC, MHP Parkview Manor LLC, Silver Spring Library Residences LP, 515 Thayer LLC, MHP Colonnade LLC, MHP North Frederick Owner LLC, MHP WW Apartments LLC, MHP Forest Glen 4 LP, MHP Forest Glen 9 LP, MHP Nebel 4 LLC and MHP Nebel 9 LLC.

See Independent Auditor's Report.

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

NeighborWorks America Capital Grant Funds
Year Ended December 31, 2024

Schedule of Financial Position of NeighborWorks America Funds
Montgomery Housing Partnership, Inc.
December 31, 2024

During the year ended December 31, 2024, MHP received various grants, totaling $676,500.

		With donor restrictions		
	Without donor restrictions	With donor restrictions (temporary)	Restricted in perpetuity	Total
Cash	$ 4,533,320	$ 172,500	$ -	$ 4,705,820
Notes receivable	3,703,103	-	-	3,703,103
Investments	700,000	-	-	700,000
Total assets	$ 8,936,423	$ 172,500	$ -	$ 9,108,923
Net assets	$ 8,936,423	$ 172,500	$ -	$ 9,108,923
Total liabilities and net assets	$ 8,936,423	$ 172,500	$ -	$ 9,108,923

See Independent Auditor's Report.

Montgomery Housing Partnership, Inc. and Its Subsidiaries and Affiliates

NeighborWorks America Capital Grant Funds
Year Ended December 31, 2024

Schedule of NeighborWorks America Activity
Montgomery Housing Partnership, Inc.
For the Year Ended December 31, 2024

	Without donor restrictions	With donor restrictions		Total
		With donor restrictions (temporary)	Restricted in perpetuity	
Grants	$ 512,000	$ 164,500	$ -	$ 676,500
Net assets released from restrictions	165,500	(165,500)	-	-
Total revenues	677,500	(1,000)	-	676,500
Expenses				
General and administrative	-	-	-	-
Total expenses	-	-	-	-
Change in net assets	677,500	(1,000)	-	676,500
Beginning net assets	8,258,923	173,500	-	8,432,423
Ending net assets	$ 8,936,423	$ 172,500	$ -	$ 9,108,923

See Independent Auditor's Report.

CohnReznick

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cohnreznick.com

Cornerstone Montgomery, Inc.

FY27 Community Development Block Grant (CDBG)

Cornerstone Montgomery

Ms Maggie Sugrue

Ms Maggie Sugrue

2 Taft Court
Suite 200
Rockville, MD 20850

maggie.sugrue@cornerstonemontgomery.org
O: 301-715-3673

Application Form

Applicant Information and Request Amount

Project Name*
Legal name of Applicant/Organization

Cornerstone Montgomery, Inc.

Federal I.D. Number*
52-0937199

Type of Organization*
Nonprofit

501(c)(3) Status
If you are a nonprofit organization, upload an Internal Revenue Service letter granting non-profit status 501(c)(3).

1. IRS Approval Letter_CMI.pdf

Address*
2 Taft Court, #200

Contact Person*
Provide a name and job title.

Maggie Sugrue

Contact Person - Telephone Number*
3017153673

Contact Person - E-mail*
maggie.sugrue@cornerstonemontgomery.org

Project Title*
Taft Building Renovations

Amount of CDBG Funds Requested*
$179,856.00

Amount of Total Project Budget*
$197,841.00

Would you like to collaborate on this application with another person? If yes, follow the instructions below.

Once you have started a request you will see the Collaborate button at the top of the page. This can be used to invite other people to work on this request.

- From the Collaborate pop up, enter the email address of the person you would like to invite,
- Set the Permission you would like the collaborator to have, either View, Edit, or Submit.
- And lastly, include a message and select Invite.

An email will be sent to the collaborator containing your message, their username, and a link to the logon page.

After logging into the system, the collaborator will see this request under the Collaboration Requests tab of their Applicant Dashboard. Here they can select the edit form link and start collaborating on the document. The Collaborator will have access to all forms within the request that have been assigned to the original applicant.

Project Description and Need

Project Description*
Provide a *brief* summary of your project. Describe: WHAT you will do, WHO you will serve, WHY the project is needed, WHERE you will do it, and WHAT activities you will fund with CDBG. *(NOTE: More information is requested later; this space is for a brief overview of your project.)*

Cornerstone Montgomery seeks support to maintain a critical facility, the Taft Building, that houses essential behavioral health services for more than 3,000 individuals annually across Montgomery, Calvert, Charles, and St. Mary's counties. While Cornerstone Montgomery owns the Taft Building, it rents the first floor to InterFaith Works who uses the space to operate the InterFaith Works Women's Center at Taft Court (IWWC-Taft). Cornerstone Montgomery respectfully requests funding to remove and replace aging, damaged, and deteriorating flooring and windows in the Taft building to include the IWWC-Taft shelter.

This building serves as the backbone of our continuum of care, providing safe, welcoming space for outpatient clinics, vocational programs, residential rehabilitation, crisis stabilization, and case management. Without this facility, there would be no safety net for some of the community's most vulnerable residents—individuals living with serious mental illness, co-occurring substance use disorders, and housing instability.

Investing in this facility is not about flooring and windows. It is about safeguarding access to integrated, evidence-based care for thousands of Montgomery County and City of Rockville residents. Safe, updated flooring and new, undamaged windows will ensure that individuals in crisis have a trusted place to turn, that recovery programs remain uninterrupted, and that hope continues to have a home in our community.

Project Need*

What unmet need(s) will your project address? How did you determine that this need exists? You must provide data that quantifies the need to receive full points for Need in the scoring criteria (e.g., number of units, physical needs assessment data, photographs).

Our project addresses the persistent shortage of accessible, integrated behavioral health services by investing in the primary facility that enables Cornerstone Montgomery to provide behavioral health care and InterFaith Works to operate its Women's Center. At Cornerstone, needs are quantified through annual client surveys, data from our certified electronic health record system, and required county/state reporting. Trends show steadily rising demand for mental health and crisis services, with long waitlists and hospital and school referrals underscoring the urgency. Demand consistently exceeds capacity, especially for transition-age youth, adults with chronic mental illness, and individuals experiencing housing insecurity. In FY25, Cornerstone served 3,000 individuals; Residential Rehabilitation programs maintained hospitalization rates below 5%, and vocational programs placed nearly 200 people in competitive jobs. Without a stable facility, thousands risk losing access to life-saving care, housing supports, and pathways to recovery and independence.

The IW Women's Center at Taft Court (IWWC-Taft) is a low-barrier, housing-focused emergency shelter serving women experiencing homelessness. It operates 40 beds, expanding to 50 during hypothermia season (Nov–Mar). The County plans to merge IWWC-Taft with IW's Crabbs Branch site in spring 2026, creating a 70-bed facility for women. Clients receive basic needs, case management, and access to medical, behavioral health, vocational, and legal services that facilitate rapid exits to permanent housing. IWWC-Taft serves 153 women annually, all earning below 200% of the Federal Poverty Level. Most face behavioral health challenges, chronic illness, domestic violence, limited education or English proficiency, chronic homelessness, and lack of family support. The need for IW's services continues to grow as more women seek emergency shelter and critical support.

Project Need Attachments

Please compile attachments (including photos) into one pdf, doc or docx file. *If the attachments exceed the maximum file size, send them to Chuck Dunn, cdunn@rockvillemd.gov.*

Project Need Attachments.pdf

Location of Project*

Where will this project be physically located? For projects, provide the address of the project; for programs, state the location from which the program will be operated. *Project activities should take place within the corporate limits of the City of Rockville.*

This project is located at 2 Taft Court in Rockville, Maryland.

Location of Project - Historic District*

Will this project be located in one of Rockville's Historic Districts? View the map of Rockville Historic Districts.

No

Service Area*

Is there a primary service area(s) for this project?

No

Service Area - Description

If you selected "yes" to the previous question, briefly describe the boundaries of the service area (e.g. by streets, neighborhoods, or census tracts). Answering "no" signifies that services are provided citywide without regard to location.

Cornerstone Montgomery serves residents in Calvert, Charles, Montgomery, and St. Mary's counties. 70% of those served by Cornerstone Montgomery are residents of Montgomery County.

Service Area - Outside City of Rockville

If some people served come from outside the City of Rockville, please provide a breakdown of Rockville residents versus non-Rockville residents.

Currently, Cornerstone Montgomery serves 1,347 city of Rockville residents, including a 50 bed shelter managed by Interfaith Works (IW) located in the Taft building that is owned by Cornerstone Montgomery. The shelter serves 153 women annually, all of whom are homeless and earn less than 200% of the Federal Poverty Level.

Number Served*

Estimate the total number of people or households who will directly benefit from this project.

3000

Number LMI Served*

Estimate the total number of low- and moderate-income people or households who will directly benefit from this project. *See pg. 4 of the **APPLICATION INSTRUCTIONS** for the definition of "low- and moderate-income ("LMI")."*

2957

Percentage LMI Served*

What percentage of the total people or households served are expected to be of low- and moderate-income. *See pg. 4 of the **APPLICATION INSTRUCTIONS** for the definition of "low- and moderate-income ("LMI")."*

98

Identify the source of your estimates*

Cornerstone Montgomery clients self-report income and are among the most vulnerable in the community, including adults and transition-age youth experiencing serious and persistent mental illness, co-occurring substance use disorders, and housing instability. Many rely on public assistance or entitlements to meet their basic needs.

IWWC serves adult women experiencing homelessness in Montgomery County. All are determined by the Crisis Center to be individuals with low or no income.

Recruitment/Referral Process*

Describe how beneficiaries will be recruited or referred to the project or program.

Cornerstone has partnerships with 300 nonprofits, employers, hospitals, business mentors and educational institutions, 100 volunteers, and more than 300 staff.

Key referral partners include: Interfaith Works, JSSA, Maryland Treatment Centers, Maryland Department of Education Division of Rehabilitation Services, Montgomery County Department of Health and Human Services, National Alliance on Mental Illness, National Council for Mental Wellbeing, Avery Road Treatment Center, Jude House, St.Mary's County Substance Abuse Services, Legal Aid Bureau.

IWWC-Taft is one of Montgomery's only two year-round, low barrier, emergency shelters exclusively for women. Montgomery County residents who are single adults experiencing homelessness without minor children should call the Montgomery County Crisis Center for a referral for emergency shelter. The Montgomery County Crisis Center is available 24 hours a day, 365 days a year for those needing emergency shelter and homeless-related resources.

Eligibility Process*

Describe how you will determine eligibility for the program and document that at least 70 percent of the housing units are occupied by LMI households or that 70 percent of the program's beneficiaries have low- or moderate-incomes, as defined by HUD.

This project requests funding to replace floors and windows in the Taft building which is owned by Cornerstone Montgomery. The first floor of this building is rented to Interfaith Works to operate IWWC-Taft.

Eligibility for the IWWC-Taft emergency shelter program is determined by the diversion team at the Montgomery County Crisis Center, which conducts screenings and makes referrals. IWWC serves adult women experiencing homelessness in Montgomery County. These women must have lost housing in Montgomery County. All are determined by the Crisis Center to be individuals with low or no income.

Cornerstone Montgomery serves adults and at-risk transition age youth experiencing serious and persistent mental illness, behavioral disorders, and co-occurring substance abuse disorders and accepts referrals from IWWC-Taft. The vast majority of people served receive benefits/entitlements and/or other public assistance and are very low to low income.

Project Goals*

List the specific goals that you hope to achieve through this project; goals should be quantitative and measurable in nature. *The activity should have clearly stated goals and evaluation criteria that are specific, measurable, and realistic.*

Goal 1: Within 12 months of receiving funding, remove and replace deteriorating flooring and in the IWWC-Taft shelter on the first floor of the Taft building to maintain a safe, stable facility for behavioral health services as measured by continued service delivery, provision of core programs and number of clients served annually.

Goal 2: Within 12 months of receiving funding, remove and replace 13 damaged windows in the Taft building to maintain a safe, stable facility for behavioral health services as measured by continued service delivery, provision of core programs, and number of clients served annually.

Action Plan

Quarterly Schedule: Any CDBG funds awarded should be fully expended within a 12-month period. *The activity should have a clear plan of action that is consistent with the budget and that demonstrates that the applicant has the capacity to implement the proposed plan.*

Describe the implementation plan for the project by listing a quarterly schedule of key activities / milestones and the corresponding draw down of CDBG funds in the following questions:

First Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

1. Publish formal bid requests for flooring and replacement of windows
2. Select vendor(s) to replace flooring and windows
3. Work with IWWC-Taft on shelter relocation plan during renovations

Second Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

1. IWWC-Taft will execute temporary shelter relocation plan
2. Replace all flooring and windows in Taft building

Third Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

n/a

Fourth Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

n/a

First Quarter - $ Draw Down*
Estimate the draw down of CDBG funds in the quarter.

$0.00

Second Quarter - $ Draw Down*
Estimate the draw down of CDBG funds in the quarter.

$179,856.00

Third Quarter - $ Draw Down*
Estimate the draw down of CDBG funds in the quarter.

$0.00

Fourth Quarter - $ Draw Down*
Estimate the draw down of CDBG funds in the quarter.

$0.00

Budget and Leveraging

Project Budget Form*
1. Download the Budget Form (doc file).
2. Fill out the budget form and save it. Instructions are provided on page 1 of the packet.
3. Upload the completed form using the "upload a file" button below.

CDBG Application Budget Form_Final.docx

Expenditure Details*
Describe in detail types of expenditures CDBG will fund (i.e., labor, materials, etc.).

Cornerstone Montgomery requests that CDBG funds will fund windows at a cost of $18,758.00 and flooring at a cost of $161,098.00.

Cost Estimate Details*
How did you determine the cost estimates included in the CDBG Project Budget Form?

Cornerstone Montgomery has been assessing the need for floor upgrades and window replacements since 2023. Throughout this process, we have consulted multiple construction and renovation contractors to obtain competitive bids. The cost estimates included in the CDBG project budget reflect the actual bid received and represent a realistic and researched projection of the expenses required to complete the proposed work.

Cost Estimate Details - Attachments

Upload any supporting documents for your cost estimates (including bids, research or past documentation for previous projects).

Floor and Window Proposal (1).pdf

Davis-Bacon Labor Standards and Wages*

If you propose construction, rehabilitation, or acquisition activities, are the construction estimates incorporated into the project budget inclusive Davis-Bacon Labor Standards and Wages?

Yes

Site Ownership*

If you propose construction, rehabilitation, or acquisition activities, does your organization own the property or site?

Yes

Site Ownership or Lease Agreement

Evidence of site control.

- If yes to the previous question, provide evidence of ownership (deed and property tax records).
- If no to the previous question, provide a copy of the lease agreement and letter from the owner confirming the proposed activities are permitted and acceptable.

2 Taft Ct Recorded Deed.pdf

Land Use/Zoning*

If you propose construction, rehabilitation, or acquisition activities, does the project require a land use and/or zoning change?

No

Land Use/Zoning - Details

If yes to the previous question, explain below.

Partial Funding*

In the past, the City has often provided partial funding for multiple projects instead of full funding for a few projects so that it could address numerous requests. Please describe, in detail, the specific changes that you will make to your project or scope of services if your project is partially funded.

If partial funding is awarded, Cornerstone Montgomery will adjust the project to work within the amount of funding awarded. Cornerstone will prioritize replacing the flooring on the first floor of the Taft building, as opposed to replacing the flooring in the entire building, and will reduce the number of windows to be replaced.

Prior CDBG Funding*

List any prior CDBG grants received for this project and include the following information:

- Source (Montgomery County or the City of Rockville)
- Year of the grant
- Grant amount
- Description of the activities funded

If your project has not received any CDBG funding, write in N/A.

N/A

Leveraging*

Have you applied for funding from other sources for this project?

No

Leveraging Details*

- If yes to the previous question, to what entities have you applied? Indicate whether the funding is approved, pending or denied.
- If no to the previous question, why haven't you applied for other funding?

Cornerstone Montgomery is prepared to apply for additional funding, but has not pursued other funding sources for this project at this time.

Leveraged Funds #1

For approved funds, provide a copy of each commitment or award letter.

Leveraged Funds #2

For approved funds, provide a copy of each commitment or award letter.

Leveraged Funds #3

For approved funds, provide a copy of each commitment or award letter.

Volunteer or In-kind Contributions

If you will use volunteers or in-kind contributions for this project, please explain how:

Long-term Sustainability*

Explain, in detail, your long-term sustainability plan for this project. If you are proposing rehabilitation or construction activities, describe your long-term operation and maintenance plans for the project, including your plan to keep the housing affordable for LMI households (i.e., source of subsidy). If you are proposing a program, describe your plan for operating this program once CDBG funds are no longer available.

Cornerstone Montgomery uses a comprehensive fundraising and outreach strategy to ensure a fiscally sound organization; and, also one committed to long-term sustainability. The organization's revenue is comprised of private and government grants, contracts, individual contributions, corporate sponsorships, individual contributions and in-kind support. In addition, Cornerstone's Board of Directors help to fundraise on behalf of the organization, and actively participate in critical development activities.

Cornerstone Montgomery recently went through its strategic planning process with stakeholders to identify priorities and goals for 2025-2027. One of the three identified priorities is to emphasize Infrastructure and Health. In order to position Cornerstone for long-term sustainability and scalability, leadership is committed to investing in strengthening infrastructure. This includes Cornerstone's building maintenance and safety. Leadership also recognizes that a strong and healthy infrastructure will help Cornerstone lead and remain competitive in preparation for possible CCBHC implementation in Maryland.

Furthermore, Cornerstone Montgomery continues to seek funding from individual donors, corporate partners and family foundations to support this project and other key initiatives including proceeds from an annual special event. Since fundraising is a portion of the sustainability required to maintain operations, Cornerstone Montgomery leverages relationships with other partners by co-locating offerings at different sites, using media for marketing efforts, and ensuring strong internal financial controls.

Key Staff and Partnerships

Key Staff Instructions: Provide the name and list of information below for each key staff person who is responsible for carrying out your program's CDBG action plan.

Name - Key Staff #1*

Marisa Gillum

Project Role - Key Staff #1*

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

Marisa Gillum will serve as the Project Manager for this project, devoting 2% of her time. Ms. Gillum joined Cornerstone Montgomery in 2015 as the Chief Administrative and Compliance Officer and is responsible for

the overall management of an organization's administrative operations including compliance, facilities, IT, training, and legal matters. Ms. Gillum's extensive experience in nonprofit management spans program and administrative operations, government grants, and contract management.

Name - Key Staff #2

Project Role - Key Staff #2

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

Name - Key Staff #3

Project Role - Key Staff #3

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

Additional Staff

Provide a list of additional staff and their role for this project.

Partnerships*

Will you enter into a partnership with any other organization(s) to undertake this project?

No

Partnership Details

If "yes," please list the organization(s) and its contribution(s).

Experience and Organizational Capacity

Organization's Mission*

Describe your organization's mission and how the proposed project fits in with your organization's mission and current activities.

For over 50 years Cornerstone Montgomery has provided exceptional behavioral health services to individuals and families in need. At the heart of our work is our mission to "empower people living with mental health and substance use disorders to thrive in their community through collaboration, treatment, education, and advocacy."

Cornerstone Montgomery's approach to behavioral health is deeply rooted in a commitment to providing person-centered, recovery-focused care. This project requests funding for the replacement of deteriorating floors and windows in the Taft building, which is owned by Cornerstone Montgomery. The first floor of this building is rented to Interfaith Works to operate IWWC-Taft. IWWC-Taft serves 153 women annually, all of whom are homeless. The need for Cornerstone and IW services is increasing with more people looking for critical resources and assistance.

Organization's Founding Date*

List the date or year your organization was established.

1971

Number of Full-time Staff*

Number of full-time paid staff in your organization.

380

Number of Part-time Staff*

Number of part-time paid staff in your organization.

30

Organizational Chart*

Provide a copy of your current Organizational Chart.

ORG CHART.pdf

New Staff*

Will a consultant(s) or contract staff be hired to help implement the project?

No

Number of NEW Full-time Staff*

Number of new staff who will be hired to work on the project, if funded.

0

Number of NEW Part-time Staff*

Number of new staff who will be hired to work on the project, if funded.

0

New Staff - Details

If “yes,” please explain the services the consultant or contract staff will offer (**NOTE:** If the project is funded, any subcontracts entered into are subject to approval by the City of Rockville Department of Housing and Community Development):

County or City Funding*

Do you currently receive, or are you applying for funding through other County or City agencies?

Yes

County or City Funding - Details

If “yes,” provide information on the activity, the amount, and what agency:

Montgomery County Government Contracts include:
$161,648 - Youth In Transition Program
$202,556 - Housing Support
$121,756 - Case Management
$614,146 - Residential Rehabilitation Program for Adults
$90,774 - HIP
$174,496 - Outpatient Medical Clinic

Organization Budget*

Attach a copy of your organization’s annual budget for the current year.

FY 2026 Budget Summary.xlsx

Organization Audit*

Attach a copy of the organization’s most recent audit.

Draft FY23 Audited Combined Statements.pdf

Past Performance*

Have you received CDBG funds for a project of similar activities, size, and complexity in the past? (If no, skip next 3 questions)

No

Past Performance - Project Description

If yes to the "past performance" question, which project(s) and what year(s)?

Past Performance - Project Time

If yes to the "past performance" question, did you expend CDBG funds in a timely manner?

Past Performance - Project Goals

If yes to the "past performance" question, did you meet performance goals for the project?

Past Performance - Non-CDBG Projects

If No to the "past performance" question, describe a past project of similar activities, size, and complexity where your organization used local, state, or Federal funding. Describe whether you met expenditure deadlines, performance measures, and compliance requirements, such as Davis Bacon or Section 3.

In FY24, Cornerstone was awarded two Cost Sharing Capital Grants to support the renovation of the Knoll Hub and three Residential Rehabilitation Program (RRP) houses. These multi-year grants totaled over $300,000.00 , reflecting funders' confidence in Cornerstone's capacity to manage complex capital projects. Cornerstone successfully met all grant requirements and deadlines, demonstrating strong project management, accountability, and the ability to deliver impactful improvements to our facilities.

Application Certification and Signature

Application Certification*

"I certify that I have reviewed this application and that, to the best of my knowledge and belief, all of the information provided in this application is true."

In lieu of a signature, provide the name and title of an authorized representative.

Quincy Inman, Development and Communication Officer

File Attachment Summary

Applicant File Uploads

- 1. IRS Approval Letter_CMI.pdf
- Project Need Attachments.pdf
- CDBG Application Budget Form_Final.docx
- Floor and Window Proposal (1).pdf
- 2 Taft Ct Recorded Deed.pdf
- ORG CHART.pdf
- FY 2026 Budget Summary.xlsx
- Draft FY23 Audited Combined Statements.pdf

IRS Department of the Treasury
Internal Revenue Service

OGDEN UT 84201-0029

In reply refer to: 4077591934
Mar. 13, 2014 LTR 4168C 0
52-0937199 000000 00
00038000
BODC: TE

CORNERSTONE MONTGOMERY INC
6040 SOUTHPORT DR
BETHESDA MD 20814-1848

001463

Employer Identification Number: 52-0937199
Person to Contact: Ms. Wiles
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Oct. 28, 2013, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in November 1971.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

Our Cornerstone Values

CDBG Project Budget Form

ORGANIZATION NAME: ___Cornerstone Montgomery, Inc._____

PROJECT NAME: _____Taft Building Renovations_____

INSTRUCTIONS

Provide the total budget of the proposed CDBG project, subdivided by activity costs.

Request only the level of CDBG funding needed to carry out the project. The grant request must be sufficient either by itself or included with other proposed funding sources to assure effective administration and completion of the proposed project within the contract period.

List the allocation of CDBG funds among project costs in the Source 1 column and the allocation of other funding sources (as well as the name and amount of the source) in the other columns.

Only complete budget line items that apply to your project. Add additional rows, if needed. If your project has more than four sources, use a second sheet budget sheet.

CDBG Project Budget Form					
Sources					
	Source 1	**Source 2**	**Source 3**	**Source 4**	**Totals**
Name of Source	**CDBG**				
Is the source firmly committed? If yes, must provide award or commitment letter		□Yes □ No	□Yes □ No	□Yes □ No	
Amount	179,856				
Uses					
Personnel	**Source 1: CDBG**	**Source 2:**	**Source 3:**	**Source 4:**	**Total**
[List job title and salary]					
[List job title and salary]					
[List job title and salary – add more lines if needed]					
Fringe Benefits					
Personnel Total					
Construction/ Rehabilitation	**Source 1: CDBG**	**Source 2:**	**Source 3:**	**Source 4:**	**Total**
Acquisition					
Architectural, Planning, and Engineering					
Fees (permits, etc.)					
Professional Services					
Construction/rehab	179,856				
Demolition					
Other					
Other					
Other					
Construction/ Rehab Total	179,856				

Program Operating Costs	Source 1: CDBG	Source 2:	Source 3:	Source 4:	Total
Supplies					
Rent/Lease					
Insurance					
Printing					
Communications (Telephone, internet, etc.)					
Travel					
Other					
Other					
Prog. Operating Total					
Project Total	179,856				

Proposal

Revised Date: 10/2/25
Date 9/28/23

To: Cornerstone Montgomery

Re: Women's shelter

Job Site Address: 2 Taft Ct Rockville Md

Scope:

- Prep work to include movement of existing furniture to allow for new flooring.
- Ceramic tile throughout the shelter – 17,000 sqft.
- Replacement of 13 windows and re-caulking the new windows
- Materials and labor are included

- **Trash disposal, punch out, clean up and final clean**.

All work to be performed with minimum interference, Monday through Friday, between 8am to 6pm, unless specified in writing by customer.

LiaNova Solutions LLC can supply a Certificate of Insurance, if necessary, for this project. This scope of work/agreement incorporates all the covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, contracts, scopes of work and understandings have been merged into this written agreement. No prior

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4133 Hayward Ave Baltimore MD 21215

contracts or understandings, verbal or otherwise of the parties or their agents shall be valid or enforceable unless embodied in this scope of work. Claims and requirements made in the attachments are binding unless replaced or superseded by statements or claims in the scope of work document, from which the attachments are referenced.

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Exclusions

Change Orders

Changes to the scope of work may become necessary and both parties to this contract have the right to request changes to the original, agreed upon Scope of Work. Changes may take one of two forms. Where either your point-of-contact or LiaNova Solutions LLC is requesting a change, the request should be made in writing and submitted to the appropriate point-of-contact. If the requested change alters the base contract amount, LiaNova Solutions LLC will prepare a Change Order describing the requested change and the Dollar amount of the change. Upon authorization, LiaNova Solutions LLC will perform the work.

Where the change is requested in the field by your point-of-contact, the, LiaNova Solutions LLC lead technician will prepare a Field Change Order describing the requested change. An authorized signature must be obtained before work can be done. A copy will be given to your point-of-contact and, LiaNova Solutions LLC will price the change and include the amount as an adjustment to the base contract. LiaNova Solutions LLC will inform you as to the amount of the change.

Labor rates are quoted at standard daytime labor rates. If the customer requests overtime, weekend or evening rates, then it will require a change order. If Davis-Bacon or scale labor rates are required, then LiaNova Solutions LLC reserves the right to provide a new quotation. **LiaNova Solution may invoice for change orders separately or in conjunction with the primary invoice(s) at LiaNova Solutions option.**

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Payment & Invoicing

- 1/3 payment is due at signing proposal.
- ½ payment is due at halfway completion.
- Final payment is due at turnkey.

If the Customer fails to make payment as established in this agreement and the Seller retains a collection agency and/or an attorney to collect any unpaid amounts, the Customer assumes full liability for all reasonable collection and/or legal fees. All discounts given are fully voided if the Customer fails to make payment as established in this agreement.

ACCEPTANCE:

- **WE PROPOSE** to furnish labor complete in accordance with above specifications for the sum of:

Windows cost $ 18,758.00
Flooring cost $ 161,098.00
10% contingent $17,985.62

One hundred & ninety-seven thousand and eight hundred band forty one dollars with eighty-two cents ……. $197,841.82

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Due to the rapidly escalating cost of many electrical and construction materials, LiaNova Solutions LLC. reserves the right to adjust the price of this proposal solely to reflect such cost increases

This quote is valid for 15 days, unless extended in writing by LiaNova Solutions LLC. LiaNova Solutions LLC reserves the right to adjust the quoted price based on market fluctuations for materials purchased after 15 days from date of acceptance.

In no event shall LiaNova Solutions LLC be responsible for any indirect, incidental, special or consequential damages including loss of profits, revenue and/or data incurred by either party to this agreement or any third party resulting from the usage of products or services supplied under this purchase order.

If you have any questions or concerns about this *Proposal*, please call me for *Technical Issues* please contact:

Hector Jimenez
Owner/Operations Manager
Cell:301-357-4317
Email: hrj@lianovasolutions.com

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4133 Hayward Ave Baltimore MD 21215

On behalf of LiaNova Solutions, I appreciate the opportunity to provide an electrical solution to Cornerstone Montgomery.

Very truly
yours,

Hector R Jimenez

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4133 Hayward Ave Baltimore MD 21215

ACCEPTED. The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

By signing this agreement, you acknowledge that you have read, understand, and agree to the terms and conditions stated in this proposal. You also acknowledge that you have the authority to execute this agreement and agree to these terms and conditions on behalf of the corporate entity referenced in this Proposal.

Company Name_____

Signature _____

Printed Name_____

Title_____

Date of Acceptance_____

Purchase Order #_____

LiaNova Solutions Quote No. 2-2023-taft-002

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MONTGOMERY COUNTY CIRCUIT COURT (Land Records) BHM 52123, p. 0457, MSA_CE63_52080. Date available 06/06/2016. Printed 09/13/2016.

MONTGOMERY COUNTY, MD
APPROVED BY KC
MAY 27 2016
$ 39,450.00 RECORDATION TAX PAID
$ exempt TRANSFER TAX PAID

Property: 2 Taft Court, Rockville,
Montgomery County, Maryland 20850
Parcel Identification Number: 04-0201-03724405

Title Insurer: First American Title Insurance Company

SPECIAL WARRANTY DEED

THIS **SPECIAL WARRANTY DEED** (this "***Deed***"), is made this 26th day of May, 2016, by and between **1 & 2 TAFT LLC**, a Maryland limited liability company (the "***Grantor***"), having a mailing address of Post Office Box 126, Great Falls, Virginia 22066, and **CORNERSTONE MONTGOMERY, INC.**, a Maryland corporation (the "***Grantee***"), having a mailing address of 6040 Southport Drive, Bethesda, Maryland 20814.

WITNESSETH, that in consideration of **Four Million One Hundred Thousand and No/100 Dollars ($4,100,000.00)**, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby GRANT, BARGAIN, SELL and CONVEY, with Special Warranty, unto Grantee its successors and assigns, in fee simple, the parcels of land located in Montgomery County, Maryland, described on ***Exhibit A*** attached hereto and incorporated herein by reference.

TOGETHER with all building, fixtures and other improvements located in or on such parcel of land; and

TOGETHER with all easements, rights-of-way, appurtenances, licenses and privileges belonging or appurtenant to such land; and

TOGETHER with all mineral, gas, oil and water rights, sewer rights, utility rights, and development rights now or hereafter allocated or allocable to such land; and

TOGETHER with all right, title and interest of Grantor in and to any land lying in the bed of any street, road, avenue or alley, open or closed, in front of, adjoining or servicing the above- described real property, including condemnation awards or payments in lieu thereof as a result of a change of grade, alignment or access rights.

TO HAVE AND TO HOLD all of the aforesaid property (the "***Property***") unto the use and benefit of Grantee, its successors and assigns, in fee simple forever.

This conveyance is expressly made subject to easements, covenants, conditions and restrictions of record.

GRANTOR HEREBY COVENANTS that it will warrant specially the Property; and that it will, on demand of the Grantee, its successors and assigns, execute any

FILED
CLERK OF COURT
CLERKS OFFICE
MONTGOMERY CO. MD
2016 MAY 27 AM 8:51

IMP FD SURE 40.00
RECORDING FEE 20.00
TRANSFER UTILITY 20,500.00
20,560.00
Rcpt NO06 Rcpt # 73951
BAL # 7217
MAY 27 2016 08:48 am

20,500 - 20 40 CA

PLEASE RETURN TO
Lerch, Early & Brewer, Chartered
3 Bethesda Metro Center, Suite 460
Bethesda, Maryland 20814-5367
Attn: Judith A. Hill, Paralegal

instrument reasonably necessary for the further assurance of the title to the Property that may be required.

AND, the undersigned hereby certifies under the penalties of perjury that the actual consideration paid or to be paid for the aforegoing conveyance, including the amount of any mortgage or deed of trust assumed by the Grantee is in the amount of $4,100,000.00.

WITNESS our hands and seals the day and year first above written.

GRANTOR:

1 & 2 TAFT LLC,
a Maryland limited liability company

Witness:

BY: _____ (SEAL)
Robert S. Borris, Authorized Person

STATE OF MARYLAND :
: ss:
COUNTY OF MONTGOMERY :

I HEREBY CERTIFY THAT on this 23rd day of May, 2016, before the undersigned, a Notary Public of the State and County aforesaid, personally appeared **Robert S. Borris**, who acknowledged himself to be the Authorized Person of **1 & 2 Taft LLC**, a Maryland limited liability company, and that he, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(SEAL)

_____
Notary Public

MY COMMISSION EXPIRES:
9-8-2017

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) BHM 52123, p. 0458, MSA_CE63_52080. Date available 06/06/2016. Printed 09/13/2016.

I HEREBY CERTIFY that this instrument was prepared by or under the supervision of the undersigned, an attorney duly admitted to practice before the Court of Appeals of Maryland.

Lawrence G. Lerman, Attorney

AFTER RECORDATION, PLEASE RETURN TO:

Judith A. Hill, Paralegal
Lerch, Early & Brewer, Chartered
3 Bethesda Metro Center, Suite 460
Bethesda, Maryland 20814
301-986-1300
File No. 34200.008\LGL

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) BHM 52123, p. 0459, MSA_CE63_52080. Date available 06/06/2016. Printed 09/13/2016.

EXHIBIT A

LEGAL DESCRIPTION

Lot numbered 4-B in Block lettered "A" as per Plat entitled "**Ownership Plat Lots 4-A and 4-B, Block "A", an Ownership Plat of Lot 4, Block "A", Red Gate Industrial Park**", duly recorded among the Land Records of Montgomery County as Plat No. 24625, being part of Lot numbered Four (4) in Block lettered "A" in the subdivision known as "**Red Gate Industrial Park**", as per plat thereof duly recorded among the Land Records of Montgomery County in Plat Book 102, Plat 11503.

Together With the benefit of an easement established by Deed of Easement and Right of Way and Declaration of Covenants dated December 7, 1982, and recorded among the Land Records of Montgomery County in Liber 6029, folio 398 between The Mayor and City Council of Rockville and William M. Rickman.

Property: 2 Taft Court, Rockville,
Montgomery County, Maryland 20850
Parcel Identification Number: 04-0201-03724405

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) BHM 52123, p. 0460, MSA_CE63_52080. Date available 06/06/2016. Printed 09/13/2016.

52123 461

MARYLAND FORM
WH-AR

Certification of Exemption from Withholding Upon Disposition of Maryland Real Estate Affidavit of Residence or Principal Residence

2016

Based on the certification below, Transferor claims exemption from the tax withholding requirements of §10-912 of the Tax-General Article, Annotated Code of Maryland. Section 10-912 provides that certain tax payments must be withheld and paid when a deed or other instrument that effects a change in ownership of real property is presented for recordation. The requirements of §10-912 do not apply when a transferor provides a certification of Maryland residence or certification that the transferred property is the transferor's principal residence.

1. Transferor Information

Name of Transferor 1 & 2 Taft LLC, a Maryland limited liability company

2. Reasons for Exemption

Resident Status

☐ I, Transferor, am a resident of the State of Maryland.

☑ Transferor is a resident entity as defined in Code of Maryland Regulations (COMAR)03.04.12.02B(11), I am an agent of Transferor, and I have authority to sign this document on Transferor's behalf.

Principal Residence

☐ Although I am no longer a resident of the State of Maryland, the Property is my principal residence as defined in IRC 121 (principal residence for 2 (two) of the last 5 (five) years) and is currently recorded as such with the State Department of Assessments and Taxation.

Under penalty of perjury, I certify that I have examined this declaration and that, to the best of my knowledge, it is true, correct, and complete.

3a. Individual Transferors

Witness

Name

Signature

3b. Entity Transferors

Witness/Attest

1 & 2 Taft LLC
Name of Entity

x
By

Robert S. Borris
Name

Authorized Person
Title

16-49

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) BHM 52123, p. 0461, MSA_CE63_52080. Date available 06/06/2016. Printed 09/13/2016.

52123 462

State of Maryland Land Instrument Intake Sheet

| | City | [X] County: Montgomery

Information provided is for the use of the Clerk's Office and State Department of Assessments and Taxation, and the County Finance Office only.

(Type or Print in Black Ink Only All Copies Must Be Legible)

1 Type(s) of Instruments ([ ] Check Box if Addendum Intake Form is Attached.)

1	Deed		Mortgage	3	Fin Statemts (2)		Other
2	Deed of Trust		Lease				

2 Conveyance Type Check Box

X	Improved Sale Arms-Length *[1]*		Unimproved Sale Arms-Length *[2]*		Multiple Accounts Arms Length *[3]*		Not an Arms-Length Sale *[9]*

3 Tax Exemptions (if Applicable) Cite or Explain Authority

Recordation	
State Transfer	
County Transfer	§52-24(a)(1)(A); approved by Scott Foncannon, Esquire

4 Consideration and Tax Calculations

Consideration Amount		Finance Office Use Only	
Purchase Price/Consideration	$ 4,100,000.00	Transfer and Recordation Tax Consideration	
Any New Mortgage	$ 7,500,000.00	Transfer Tax Consideration	$
Balance of Existing Mortgage *	$ 1,112,902.54	X ( )% =	$
*As to 1370 Lamberton Drive Only	$	Less Exemption Amount	$
		Total Transfer Tax =	$
Other:	$	Recordation Tax Consideration	$
		X ( ) per $500 =	$
Full Cash Value	$ .00	TOTAL DUE	$

5 Fees

Amount of Fees	Doc. 1	Doc. 2	
Recording Charge	$ 20.00	$ 75.00	Agent:
Surcharge	$ 40.00	$ 40.00	Tax Bill:
State Recordation Tax	$ 39,450.00	$	
State Transfer Tax	$ 20,500.00	$	C.B. Credit:
County Transfer Tax	$ Exempt	$	
Other	$	$	Ag. Tax/Other:
Other	$	$	

6 Description of Property

SDAT requires submission of all applicable information. A maximum of 40 characters will be indexed in accordance with the priority cited in Real Property Article Section 3-104(g)(3)(i).

District	Property Tax ID No.(1)	Grantor Liber/Folio	Map	Parcel No.	Var. LOG
04-0201	03724405	22133-360			[ ] (5)

Subdivision Name	Lot (3a)	Block(3b)	Sect/AR(3c	Plat Ref.	SqFt/Acreage(4)
Red Gate Industrial Park Ownership Lot	4B	A			

Location/Address of Property Being Conveyed (2)

2 Taft Court, Rockville, Maryland 20850; Deed of Trust Only: 1370 Lamberton Dr Silver Spring, MD PIN: 13-0001-03501501

Other Property Identifiers (if applicable)	Water Meter Account No.

Residential [ ] or Non-Residential [X] | **Fee Simple [X] or Ground Rent [ ]** **Amount:**

Partial Conveyance? [ ] Yes [X] No | Description/Amt. of SqFt/Acreage Transferred:

If Partial Conveyance, List Improvements Conveyed:

7 Transferred From

Doc. 1 - Grantor(s) Name(s)	Doc. 2 – Grantor(s) Name(s)
1 & 2 Taft LLC	Cornerstone Montgomery, Inc.
Doc. 1 - Owner(s) of Record, if Different from Grantor(s)	**Doc. 2 - Owner(s) of Record, if Different from Grantor(s)**

8 Transferred To

Doc. 1 - Grantee(s) Name(s)	Doc. 2 – Grantee(s) Name(s)
Cornerstone Montgomery, Inc.	Lisa Jones and Vanessa Dalton, Trustees

New Owner's (Grantee) Mailing Address

6040 Southport Drive, Bethesda, Maryland 20814

9 Other Names to Be Indexed

Doc. 1 - Additional Names to be Indexed (Optional)	Doc. 2 - Additional Names to be Indexed (Optional)
	Wells Fargo Bank, National Association
	Montgomery County, Maryland

10 Contact/Mail Information

Instrument Submitted By or Contact Person

Name: Judith A. Hill, Paralegal

Firm: **Lerch, Early & Brewer, Chartered**

Address: 3 Bethesda Metro Center, Suite 460, Bethesda, Maryland 20814

Phone: 301-986-1300

[X] Return to Contact Person

[ ] Hold for Pickup

[ ] Return Address Provided

11 IMPORTANT: *BOTH* THE ORIGINAL DEED *AND* A PHOTOCOPY MUST ACCOMPANY EACH TRANSFER

Assessment Information

[ ] Yes [X] No Will the property being conveyed be the grantee's principal residence?

[ ] Yes [X] No Does transfer include personal property? If yes, identify: _____

[ ] Yes [X] No Was property surveyed? If yes, attach copy of survey (if recorded, no copy required)

Assessment Use Only - Do Not Write Below This Line

[ ] Terminal Verification [ ] Agricultural Verification [ ] Whole [ ] Part [ ] Tran. Process Verification

Transfer Number: Date Received: Deed Reference: Assigned Property No.:

Year	19	19	Geo	Map	Sub	Block
Land			Zoning	Grid	Plat	Lot
Buildings			Use	Parcel	Section	Occ. Cd.
Total			Town Cd.	Ex. St.	Ex. Cd.	

REMARKS:

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) BHM 52123, p. 0462, MSA_CE63_52080. Date available 06/06/2016. Printed 09/13/2016.

Cornerstone
Montgomery | Southern Maryland

Cari Guthrie

President & CEO

- Quincy Inman- Director of Development & Communications
    - Shane Senior- Marketing & Communication Manager
    - Maggie Sugrue- Grants & Fundraising Specialist
- Liza Gatti- HR Director
    - Nicole Kumi- Training Manager
    - Latha Unnithan- Payroll Manager
    - Stacey Teig- HR Manager
        - Monica Costa- HR Generalist/ Benefits Specialist
        - Erin Gallagher- HR Coordinator
        - Kate Little & VACANT- HR Specialist/ Recruiters
- Stan Estremsky- Chief Financial Officer
    - Rush Cox- Finance Director: Reporting & Analysis
        - Jo-Ann Tanagras- A/R Specialist
        - Maureen Schriber- A/P Specialist
    - Susan Wilkoff- Billing Director
        - Jo-Ann Tanagras- A/R Specialist
        - Michael Ostrowski- Billing Manager
            - Duang Pothier- Billing Supervisor
                - 2 Billing Specialist
            - John Koenig- Billing Supervisor
                - 2 Billing Specialist
    - Subash Luitel- Finance Director
        - Yun Qian- Accouring Manager
        - Hanni Sastra- A/P Accountant
- Marissa Gillum- Chief Admin Officer/ Chief Compliance Officer
    - Ben Hendricks
        - Farhad Razavi- IT Manager
            - Giorgio Gatti & Minh-Tu Nguyen – IT Specialist
    - Jake Schans
        - Shannon Anderson- Property Manager
            - 4 Environmental Techs
        - Wilfreda Long- Operations Manager
        - 5 Maintenance Techs

- Ernest Kumi- Quality Assurance Director
    - Meseret Birhanu- Data Manager
    - Jaene Wilson- Client Outcomes Specialist
    - Alex Molina- EHR Manager
        - Dottie Stewart- Quality Assurance Specialist
        - Liam Semanyk- EHR Specialist
- Alex Knoll
    - Maggie Sugrue- Executive Assistant
    - Chris Roldan, Diana Alvarez & VACANT- Admin Coordinators

- Lisa Katz- Chief Program Officer
    - Alex Dudley- TAYS Director
        - Molly Brado- TAYS Manager
        - Molly Archibald- YIT Supervisor
        - Ashley Westmoreland- TAY PRP
        - Elisa Torres- CAPS Supervisor
        - Riley Garland – CTP Supervisor
    - Anne Peyer- Vocational & Community Based Services Director
        - Kevin Hansen- Voc1 Program Manager/ CCBHC Director
            - VACANT- EFC1 Supervisor
            - Saraiah Rodriguez Rust- SET1 Supervisor
            - Emily Setzler- Studio In-Sight
            - Vishal Joshi- Workforce Development Supervisor
            - Lauren Abernethy- EFC3 Supervisor
            - Julia Schorr- Voc2 Supervisor
            - Tiffany Laredo- EFC2 Supervisor
            - Victoria Lafluer- Community Entitlements
            - Fransisco Abate- SET2 Supervisor
            - Vlad Muslimnov- EFC4 Supervisor
        - Orie Snider- Community Based Program Manager
            - Andrew Fier- Horizon Run Supervisor
            - Marissa Dreisch- Bethington Supervisor
            - Carolina Kalfoglou- MCCM Supervisor
            - Stephanie Lyvers- Knoll Foundations Supervisor
            - Dwayne Johnson- Southport Foundations Supervisor
    - Alex George- Residential & Intake Services Director
        - Terry Reed, Latsaha Burrell, Keith Ellis- Entitlements Supervisor
        - Lauren Brown- Rehab 1 Program Manager
        - Rithy Palacios- Paint Branch Supervisor
        - Tish Solomon- Adrienne/ Chadwick Supervisor
        - Shalita Morris- Arcola, Houston, University, DBT Supervisor
        - Ana Reyes- Bel Pre Supervisor
        - Barbara Allen- Rehab 2 Program Manager
        - Sarah Stuppi- Halpine Supervisor
        - Ed Naylor- ITCOD Supervisor

        - Bill Marshall- RRP Manager
        - Mitchell Wilson- Southport/ Petit Supervisor
        - Sally Kargbo- Germantown Supervisor
        - VACANT- Waterside Supervisor
    - Helen Gillespie- Intake Manager
        - 3 MOCO Intake Coordinators
        - 2 SM Intake Coordinators
        - RCS Intake Coordinator
    - Maegan Sapienza- Crisis Director
        - Devie Phips- ACT MC Manager
        - ACT RNs
        - ACT Therapists
        - ACT Prescribers
        - Sarah Lanzi- ACT MC Supervisor
        - ACT Team Admin
        - ACT Case Managers
        - ACT Housing Specialists
        - ACT Counselors
        - Rachel Adams- RCS Manager
        - Samaria Lowe- Granby RCS Supervisor
        - Emirror Baker- Layhill RCS Supervisor
        - Patricia Keefer- Porter House Supervisor
        - Matthew Cosca- RCS RN
        - Chynwe Ahumaraeze- RCS Prescriber
        - Michelle Walter- ACT SM Manager
            - 7 ACT Staff
    - Janeen Collinson- SoMD Director
        - Liz Cobb- SM RRP/PRP Manager
            - Alicia Coates- RRP Supervisor
            - Miriam Witzl- Calvert County PRP Supervisor
                - 5 PRP Staff
            - Jan Lidh- St Mary's and Charles County PRP Supervisor
                - 4 PRP Staff
            - Jakeeta Fitzgerald- RRP Supervisor
        - Sierra Ringley- IHIP-C Manager
            - On-Site Admin IHP-C
            - Amanda Jackson- Youth Crisis Response Specialist
        - Brea Butler-Estep- Vocational Program Manager
            - 1 Site Coordinator
            - County Staff
        - Rebecca Sweeny- TCM Program Manager
            - Kelvin Aguilar- St. Marys TCM Supervisor
            - Tiffany Bench- Charles & Calvert TCM Supervisor
- Joy Chang- Chief Medical Officer

- Karina Campbell- Clinic Director
    - Veronica Iriarte- Taft Clinic Office Manager
        - Taft Clinic Admins
        - Clinic Engagement Specialist
    - David Peet- Taft Clinic Program Manager
        - Taft Therapists
    - Rodrigo Espinosa Woolcott- Southport Clinic Office Manager
        - Southport Clinic Admins
    - Dr. John Danna- Southport Clinic Program Manager
        - Southport Therapists
    - Mayra Amador- Knoll Clinic Office Manager
        - Knoll Clinic Admins
    - Shana Mizzer- Knoll Clinic Program Manager
        - Knoll Therapists
        - Child & Adolescents Case Manager/ Education Specialist
- Stephanie Solazzo- Psychiatric Clinic Lead
    - Southport, Prescribers, Psychiatrists and Nurse Practitioners
    - Taft, Prescribers, Psychiatrists and Nurse Practitioners
    - Knoll Prescribers, Psychiatrists and Nurse Practitioners
- David Bridges- Nursing & Health Homes
    - Loretta Claye- Nurse Care Manager
    - Jae-Hoon Kim- Health Homes Nurse Practitioner Consultant
    - Jalika Bah- Integrated Health RN
    - 4 CNAs
    - Health Homes Administrative Assistant
    - Matthew Cosca- RCS RN
    - Dawn Zambrano- Clinic Nurse Management
        - 3 Clinic LPNs

CORNERSTONE MONTGOMERY
FY26budget

		FY 2026 BUDGET
Income		
4100	Individual contributions	100,000
4200	Special events	40,000
4300	Foundation/trust grants	270,000
4400	Federal Contracts/Grants	848,334
4500	State and County Contracts/Grants	2,496,349
4600	Program Services Contracts	0
5010	Clinic Revenue	2,796,705
5015	ACT Revenue	3,000,103
5020	Crisis Revenue	2,687,251
5030	Targeted Case Management	1,879,659
5100	Resid Rehab Case Rates	12,292,009
5110	Resid Supported Living	103,891
5120	SSI/SSDI Payments	2,346,747
5130	Residential Earned Income	47,200
5150	Private Pay Fees	0
5200	Supported Living/Day Programs	3,901,228
5300	SEP Psych Rehab Case Rates	815,042
5310	SEP Extended	1,405,787
5320	SEP Preplacements	173,985
5330	SEP Job Placements	284,919
5340	SEP Clinical Coordination	849,492
5345	DORS Job Stability M4	28,400
5350	DORS Benefits Counseling	77,264
5355	DORS Job Development M1	295,200
5360	DORS Job Coaching M2	155,200
5365	DORS Job Retention M3	62,400
5370	DORS DORS Quality Incentive	500
5375	Ticket to Work	11,000
5400	Perm Supported Housing Rent	51,500
5410	Studio In-Sight Sales	1,000
5420	External Training Revenue	1,400
5430	Other Program Fees	0
5500	Tenant Rent Income	370,214
5540	HUD Property Mgmt Fees	68,963

5600	Miscellaneous revenue	3,400
Total Income		37,465,142
Expense		
6000	Salaries	23,083,159
6010	Overtime	216,900
6020	Substitutes	80,000
6030	On Call	106,600
6040	Holiday Overtime	0
6050	Contract Employees	0
6100	Health Insurance	2,412,243
6110	Retirement contributions	275,739
6120	Workman's Comp	101,298
6130	Employer FICA	1,762,802
6140	Unemployment	72,573
6200	Employee Cell Phone	236,017
6210	Mileage	279,435
6220	Recruitment and Retention	163,000
6230	Temporary help	5,000
6240	Training	190,003
6250	Other Staff Related Expenses	43,710
7000	Mortgage Interest	190,537
7020	Condo Fee	71,028
7030	Rent	1,201,122
7100	Electric	345,416
7110	Gas	31,805
7120	Water	62,494
7130	Refuse	81,059
7200	Cleaning	139,037
7210	Repairs and maintenance	1,415,898
7220	Pest control	28,472
7230	Service contracts	300,234
7300	Real Property Tax	47,000
8000	Accounting & Audit	136,000
8010	Legal	70,000
8020	Marketing/Publicity	12,990
8025	Special Events expense	45,284
8030	Professional Fees	246,861
8100	Copying/Printing	8,340
8110	Postage	27,519

8120	Supplies	403,637
8200	Bad Debt Expense	150,000
8210	Capital Lease Interest Expense	14,813
8220	Equipmt rental and maint	95,439
8230	Licenses & Fees	765,329
8300	Communications	333,266
8310	Insurance	536,726
8320	Memberships	49,945
8330	Vehicle Maintenance/Gas	153,849
8400	Consumer Needs	53,906
8410	Consumer Work Trials	200
8420	Food	146,125
8430	Residential Allowances	372,898
8440	Artwork Commission	300
8450	Sales Tax Paid	0
8455	Bank Service Fees & Interest Exp	36,500
8460	Recreation	0
8520	Amortization - B&I	732,761
8540	Depreciation - FF&E	70,409
8560	Depreciation - Vehicles	59,465
8800	Miscellaneous expense	0
8600	Direct Program Costs Allocation	0
Total Expense		37,465,143
Net Income before direct cost allocations		(0)
Gross Margin (after Facilities Allocation)		(0)
Other Allocations		
	SAMSHA Costs to Clinic	-
	Admin Allocation (Based on revenues)	(0)
Profit(Loss) after Allocations		(0)

Mar-25	FY25 Actual Projection Based on March YTD	FY26 Budget vs FY25 Actual	% Change
71,508.00	95,344	4,656	4.88%
0.00	-	40,000	0.00%
20,125.00	26,833	243,167	906.21%
707,788.00	943,717	(95,383)	-10.11%
1,491,237.00	1,988,316	508,033	25.55%
444,498	592,664	(592,664)	
1,597,829.00	2,130,439	666,266	31.27%
1,637,496.00	2,183,328	816,775	37.41%
1,853,798.00	2,471,731	215,520	8.72%
1,115,782.00	1,487,709	391,950	26.35%
8,773,098.00	11,697,464	594,545	5.08%
20,869.00	27,825	76,066	273.37%
1,735,771.00	2,314,361	32,386	1.40%
60,740.00	80,987	(33,787)	-41.72%
-	-	-	
2,922,260.00	3,896,347	4,881	0.13%
645,351.00	860,468	(45,426)	-5.28%
1,041,834.00	1,389,112	16,675	1.20%
140,526.00	187,368	(13,383)	-7.14%
176,286.00	235,048	49,871	21.22%
577,639.00	770,185	79,307	10.30%
57,540.00	76,720	(48,320)	-62.98%
54,180.00	72,240	5,024	6.95%
272,640.00	363,520	(68,320)	-18.79%
83,600.00	111,467	43,733	39.23%
44,800.00	59,733	2,667	4.46%
1,200.00	1,600	(1,100)	-68.75%
23,077.00	30,769	(19,769)	-64.25%
58,584.00	78,112	(26,612)	-34.07%
518.00	691	309	44.79%
1,050.00	1,400	0	0.00%
435.00	580	(580)	-100.00%
282,175.00	376,233	(6,019)	-1.60%
62,161.00	82,881	(13,919)	-16.79%

56,455.00	75,273	(71,873)	-95.48%
26,032,850	34,710,467	2,754,676	7.94%
-	-	-	
15,939,229.00	21,252,305	1,830,854	8.61%
449,720.00	599,627	(382,727)	-63.83%
280,793.00	374,391	(294,391)	-78.63%
65,868.00	87,824	18,776	21.38%
0.00	-	-	
0.01	0	(0)	-100.00%
1,718,259.00	2,291,012	121,231	5.29%
203,696.00	271,595	4,145	1.53%
77,555.00	103,407	(2,108)	-2.04%
1,202,519.00	1,603,359	159,443	9.94%
51,796.00	69,061	3,512	5.08%
214,975.00	286,633	(50,616)	-17.66%
224,058.00	298,744	(19,309)	-6.46%
86,490.00	115,320	47,680	41.35%
28,021.00	37,361	(32,361)	-86.62%
75,334.00	100,445	89,558	89.16%
14,909.00	19,879	23,831	119.88%
130,710.00	174,280	16,257	9.33%
53,330.00	71,107	(79)	-0.11%
920,501.00	1,227,335	(26,213)	-2.14%
248,277.00	331,036	14,380	4.34%
34,449.00	45,932	(14,127)	-30.76%
50,263.00	67,017	(4,523)	-6.75%
58,513.00	78,017	3,042	3.90%
102,880.00	137,173	1,864	1.36%
382,698.00	510,264	905,634	177.48%
20,335.00	27,113	1,359	5.01%
154,978.00	206,637	93,596	45.29%
54,069.00	72,092	(25,092)	-34.81%
68,933.00	91,911	44,089	47.97%
37,084.00	49,445	20,555	41.57%
9,718.00	12,957	33	0.25%
10,681.00	14,241	31,043	217.98%
216,670.00	288,893	(42,032)	-14.55%
1,272.00	1,696	6,644	391.75%
16,042.00	21,389	6,130	28.66%

309,978.00	413,304	(9,667)	-2.34%
100,000.00	133,333	16,667	12.50%
2,847.00	3,796	11,017	290.23%
67,893.00	90,524	4,915	5.43%
473,850.00	631,800	133,529	21.13%
250,714.00	334,285	(1,020)	-0.31%
424,103.00	565,471	(28,745)	-5.08%
52,776.00	70,368	(20,423)	-29.02%
110,631.00	147,508	6,341	4.30%
33,997.00	45,329	8,576	18.92%
251.00	335	(135)	
137,873.00	183,831	(37,706)	-20.51%
282,518.00	376,691	(3,793)	-1.01%
188.00	251	49	19.68%
0.00	-	-	#DIV/0!
50,720.00	67,627	(31,127)	-46.03%
3,290.00	4,387	(4,387)	-100.00%
543,560.00	724,747	8,014	1.11%
48,377.00	64,503	5,907	9.16%
25,082.00	33,443	26,022	77.81%
(109,463.00)	(145,951)	145,951	-100.00%
-	-	0	
26,013,810	34,685,080	2,780,063	8.02%
19,040	**25,387**	**(25,387)**	
19,040	25,387	(25,387)	

offset
offset
Capital Grant non operating for projection
Capital Grant non operating for projection
SAMSHA

gain on sale of Summer City and lease pick up

includes capital budget not spent in current year

fleet

5 new vehicles
leases recoveries

CORNERSTONE MONTGOMERY, INC.

FINANCIAL STATEMENTS AND
UNIFORM GUIDANCE REPORTS

YEARS ENDED JUNE 30, 2023 AND 2022

Preliminary Draft

CORNERSTONE MONTGOMERY, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

Preliminary Draft

CORNERSTONE MONTGOMERY, INC.
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Preliminary Draft

INDEPENDENT AUDITORS' REPORT

Board of Directors
Cornerstone Montgomery, Inc.
Rockville, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cornerstone Montgomery, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cornerstone Montgomery, Inc., as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cornerstone Montgomery, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

Adoption of Accounting Standard

As discussed in Note 1 to the financial statements, management has adopted the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02: *Leases*. Our opinion is not modified with regard to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cornerstone Montgomery, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cornerstone Montgomery, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cornerstone Montgomery, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Preliminary Draft

Board of Directors
Cornerstone Montgomery, Inc.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements as a whole. The Quarterly Reports for the Quarter ending June 30, 2023, to the Department of Health and Mental Hygiene Human Service (DHMH 438 Reporting Requirement) and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated Report Date, on our consideration of Cornerstone Montgomery, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cornerstone Montgomery, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cornerstone Montgomery, Inc.'s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Arlington, Virginia
Report Date

Preliminary Draft

INDEPENDENT AUDITORS' REPORT

Board of Directors
Cornerstone Montgomery, Inc.
Rockville, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cornerstone Montgomery, Inc., which comprise the statement of financial position as of June 30, 2023 and 2022, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cornerstone Montgomery, Inc. as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cornerstone Montgomery, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

Adoption of Accounting Standard

As discussed in Note 1 to the financial statements, management has adopted the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02: *Leases*. Our opinion is not modified with regard to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cornerstone Montgomery, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Preliminary Draft

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cornerstone Montgomery, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cornerstone Montgomery, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

CliftonLarsonAllen LLP

Arlington, Virginia
Report Date

Preliminary Draft

CORNERSTONE MONTGOMERY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS	2023	2022
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,495,722	$ 1,680,771
Accounts Receivable from Contracts With Customers, Net of Allowance for Doubtful Accounts of $500,750 and $135,750	6,698,547	6,721,894
Contributions and Grants Receivable, Net of Discount of $1,840 and $4,458	101,826	99,208
Due from Related Parties	383,007	234,759
Deferred Lease Incentive	76,365	76,365
Prepaid Expenses	255,803	155,954
Total Current Assets	9,011,270	8,968,951
PROPERTY AND EQUIPMENT		
Land	2,732,570	1,910,201
Buildings and Improvements	26,267,471	22,885,094
Furniture, Fixtures, and Equipment	1,325,605	1,402,433
Constructions in Progress	119,222	34,891
Vehicles	132,600	486,823
Total Property and Equipment	30,577,468	26,719,442
Accumulated Depreciation and Amortization	(9,785,800)	(9,407,827)
Net Property and Equipment	20,791,668	17,311,615
OTHER ASSETS		
Investments, Designated for Operating Reserves	1,930,611	1,770,459
Investments, Restricted for Joan Clement Endowment Fund	279,210	257,873
Deferred Rent and Lease Incentive	937,876	990,291
Deposits and Other Assets	630,797	704,196
Right of Use Asset - Finance Leases	510,379	-
Right of Use Asset - Capital Leases	1,021,984	-
Total Other Assets	5,310,857	3,722,819
Total Assets	$ 35,113,795	$ 30,003,385

Preliminary Draft

See Accompanying Notes to Financial Statements.

CORNERSTONE MONTGOMERY, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2023 AND 2022

LIABILITIES AND NET ASSETS

	2023	2022
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	2,010,273	$ 1,517,586
Deferred Revenue	43,823	37,358
Capital Lease	-	37,571
Lease Liability - Finance, Current Portion	163,644	-
Lease Liability - Operating, Current Portion	121,177	-
Due to Third-Party Payor	544,597	1,325,922
Notes Payable	17,500	17,500
Mortgages Payable	138,563	153,652
Bonds Payable	219,834	212,556
Total Current Liabilities	3,259,411	3,302,145
LONG-TERM LIABILITIES		
Deposits and Other Liabilities	22,718	12,728
Accrued Interest	116,223	108,843
Participation Liability	812,569	719,970
Notes Payable	169,631	179,611
Capital Lease	-	66,069
Lease Liability - Finance, Net of Current Portion	310,626	-
Lease Liability - Operating, Net of Current Portion	905,170	-
Mortgages Payable	1,426,454	1,206,567
Bonds Payable	3,094,854	3,305,856
Total Long-Term Liabilities	6,858,245	5,599,644
Total Liabilities	10,117,656	8,901,789
NET ASSETS		
Without Donor Restrictions:		
Undesignated	22,581,589	18,751,863
Designated by Board of Directors	1,930,611	1,770,459
Total Without Donor Restrictions	24,512,200	20,522,322
With Donor Restrictions:		
Restricted Due to Purpose and Time	283,939	379,274
Perpetual in Nature	200,000	200,000
Total With Donor Restrictions	483,939	579,274
Total Net Assets	24,996,139	21,101,596
Total Liabilities and Net Assets	$ 35,113,795	$ 30,003,385

Preliminary Draft

See Accompanying Notes to Financial Statements.

CORNERSTONE MONTGOMERY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restricted	Total
REVENUES AND SUPPORT			
Intensive and Specialty Services	$ 17,877,478	$ -	$ 17,877,478
Community Services	5,028,652	-	5,028,652
Clinical and Medical Services	2,661,209	-	2,661,209
Other Fees for Services	98,144	-	98,144
Grants and Contributions	7,422,359	-	7,422,359
Federal Grants	1,512,892	-	1,512,892
Other Income	483,314	-	483,314
Investment Gain	175,975	21,337	197,312
Subtotal	35,260,023	21,337	35,281,360
Net Assets Released from Restriction:			
Satisfaction of Program Restrictions	116,672	(116,672)	-
Total Revenues and Support	35,376,695	(95,335)	35,281,360
EXPENSES			
Program Services Expense:			
Intensive and Specialty Services	13,397,385	-	13,397,385
Community Services	5,543,296	-	5,543,296
Clinical and Medical Services	5,266,378	-	5,266,378
Total Program Services Expense	24,207,059	-	24,207,059
Support Services Expense:			
Management and General	6,854,503	-	6,854,503
Fundraising and Development	325,255	-	325,255
Total Supporting Services Expense	7,179,758	-	7,179,758
Total Expenses	31,386,817	-	31,386,817
CHANGE IN NET ASSETS	3,989,878	(95,335)	3,894,543
Net Assets - Beginning of Year	20,522,322	579,274	21,101,596
NET ASSETS - END OF YEAR	$ 24,512,200	$ 483,939	$ 24,996,139

Preliminary Draft

See Accompanying Notes to Financial Statements.

CORNERSTONE MONTGOMERY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restricted	Total
REVENUES AND SUPPORT			
Intensive and Specialty Services	$ 15,825,573	$ -	$ 15,825,573
Community Services	4,388,312	-	4,388,312
Clinical and Medical Services	2,721,794	-	2,721,794
Other Fees for Services	101,023	-	101,023
Grants and Contributions	1,612,765	-	1,612,765
Federal Grants	1,954,761	-	1,954,761
Other Income	920,985	-	920,985
Investment Loss	(304,997)	(47,353)	(352,350)
Subtotal	27,220,216	(47,353)	27,172,863
Net Assets Released from Restriction:			
Satisfaction of Program Restrictions	150,253	(150,253)	-
Total Revenues and Support	27,370,469	(197,606)	27,172,863
EXPENSES			
Program Services Expense:			
Intensive and Specialty Services	12,075,237	-	12,075,237
Community Services	4,784,280	-	4,784,280
Clinical and Medical Services	4,910,438	-	4,910,438
Total Program Services Expense	21,769,955	-	21,769,955
Support Services Expense:			
Management and General	5,419,153	-	5,419,153
Fundraising and Development	392,821	-	392,821
Total Supporting Services Expense	5,811,974	-	5,811,974
Total Expenses	27,581,929	-	27,581,929
CHANGE IN NET ASSETS	(211,460)	(197,606)	(409,066)
Net Assets - Beginning of Year	20,733,782	776,880	21,510,662
NET ASSETS - END OF YEAR	$ 20,522,322	$ 579,274	$ 21,101,596

Preliminary Draft

See Accompanying Notes to Financial Statements.

CORNERSTONE MONTGOMERY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Intensive and Specialty Services	Community Services	Clinical and Medical Services	Total Program	Management and General	Fundraising and Development	Total Expenses
Salaries and Related Benefits	10,164,088	$ 5,062,718	$ 5,020,535	$ 20,247,341	$ 3,917,668	$ 266,424	$ 24,431,433
Occupancy	1,771,938	209,590	104,223	2,085,751	717,547	2,732	2,806,030
Licenses and Fees	84,476	85,823	22,332	192,631	1,065,919	1,663	1,260,213
Depreciation/Amortization Expense	241,281	77,375	56,728	375,384	385,701	1,945	763,030
Professional Fees	65,173	1,409	31,329	97,911	408,436	48,718	555,065
Residential Allowances & Consumer Needs	487,665	4,148	1,768	493,581	41,581	-	535,162
Supplies	201,872	11,278	22,869	236,019	150,734	2,146	388,899
Communications	218,488	9,437	-	227,925	132,966	120	361,011
Travel and Transportation	162,404	81,518	6,594	250,516	33,951	1,507	285,974
Total Functional Expenses	$ 13,397,385	$ 5,543,296	$ 5,266,378	$ 24,207,059	$ 6,854,503	$ 325,255	$ 31,386,817

Preliminary Draft

See Accompanying Notes to Financial Statements.

CORNERSTONE MONTGOMERY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Intensive and Specialty Services	Community Services	Clinical and Medical Services	Total Program	Management and General	Fundraising and Development	Total Expenses
Salaries and Related Benefits	$ 9,106,382	$ 4,509,642	$ 4,786,643	$ 18,402,667	$ 3,207,358	$ 299,026	$ 21,909,051
Occupancy	1,659,930	90,255	64,160	1,814,345	533,796	3,740	2,351,881
Licenses and Fees	(26,238)	3,762	(26,276)	(48,752)	856,720	3,131	811,099
Depreciation/Amortization Expense	267,540	83,520	59,069	410,129	377,907	1,999	790,035
Residential Allowances & Consumer Needs	457,475	2,033	2,155	461,663	3,804	6,302	471,769
Supplies	261,256	3,872	16,440	281,568	121,964	11,382	414,914
Communications	158,930	129	-	159,059	143,963	45	303,067
Professional Fees	42,433	800	2,778	46,011	156,243	66,740	268,994
Travel and Transportation	143,477	87,797	5,469	236,743	17,155	456	254,354
Other Operating Expenses	1,844	2,470	-	4,314	243	-	4,557
Donated Goods and Services	2,208	-	-	2,208	-	-	2,208
Total Functional Expenses	$ 12,075,237	$ 4,784,280	$ 4,910,438	$ 21,769,955	$ 5,419,153	$ 392,821	$ 27,581,929

Preliminary Draft

See Accompanying Notes to Financial Statements.

CORNERSTONE MONTGOMERY, INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 3,894,543	$ (409,066)
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized (Gain) Loss on Investments	(103,001)	520,257
Depreciation and Amortization	763,030	790,035
Net Decrease of Debt Discount	(31,211)	3,332
Bad Debt Expense	20,007	138,042
Net Assets Acquired Through Noncash Acquisition in Business Combination	(5,306,494)	-
Non Cash Lease Expense	383,988	-
Amortization of Debt Issuance Cost	8,088	8,088
Change in Assets and Liabilities:		
Account Receivable from Contracts With Customers	1,123,483	(2,502,794)
Contributions Receivable	203,295	1,281,809
Due from Related Parties	(148,248)	(103,863)
Prepaid Expenses	(68,521)	218,195
Deposits	73,399	(133,183)
Accounts Payable and Accrued Expense	178,685	201,891
Accrued Interest	7,380	7,380
Deferred Revenue	6,465	31,332
Due to Third-Party Payor	(781,325)	855,665
Other Liabilities	9,990	-
Lease Liability - Operating	(89,318)	-
Lease Liability - Finance	(13,084)	-
Deferred Rent and Lease Incentive	52,415	44,120
Net Cash Provided by Operating Activities	183,566	951,240
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments and Reinvestment of Interest and Dividends	(1,515,597)	(707,801)
Proceeds from Sales and Maturities of Investments	1,437,109	395,728
Proceeds of Cash from Acquisition of Southern Maryland	746,319	-
Purchase of Property and Equipment	(569,264)	(502,822)
Net Cash Provided (Used) by Investing Activities	98,567	(814,895)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Bonds Payable	(211,812)	(203,724)
Principal Payments on Capital Leases	-	(216,570)
Payment on Note Payable	(17,500)	(17,500)
Cash Paid for Lease - Finance	(167,675)	-
Principal Payments on Mortgages Payable	(70,195)	(172,635)
Net Cash Used by Financing Activities	(467,182)	(610,429)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(185,049)	(474,084)
Cash and Cash Equivalents - Beginning of Year	1,680,771	2,154,855
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,495,722	$ 1,680,771

See Accompanying Notes to Financial Statements.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cornerstone Montgomery, Inc. (Cornerstone Montgomery or the Organization) was formed in 2012 as a result of the merger between St. Luke's House, Inc. and Threshold Services, Inc. The new Organization continues its mission to empower people living with mental health and co-occurring substance use disorders to live, work, and integrate successfully within the community.

The program services provided by Cornerstone Montgomery include:

Intensive and Specialty Services:

Residential Rehabilitation Program – provides community support, general housing, and intensive housing services. The program is organized to assist people to live as independently as possible through the provision of training, supervision, and assistance in the skills of community living. The program provides evidence-based practices such as DBT (Dialectical Behavioral Therapy), ITCOD (Integrated Treatment of Co-Occurring Disorders), and IMR (Illness Management and Recovery). Staffing is available at the different sites ranging from drop-in to 24 hours per day.

Crisis Residential Program (Fenton, Granby, and Layhill Houses) – provides a community-based residential alternative to inpatient hospitalization. The program provides intensive 24 hours per day staff supervision in a group home setting to help people in psychiatric crisis to become stabilized and return to normal life routines as quickly as possible.

Assertive Community Treatment (ACT) – is an intensive treatment model which combines outpatient mental health and psychiatric rehabilitation services. It provides assertive outreach, treatment, and support to adults who have not been successful in more traditional forms of outpatient treatment. Service provision is mobile and provided in the individual's natural environment (e.g., home, street, shelters for the homeless, etc.). This is considered the highest level of care provided to clients in a community-based setting. The team is comprised of therapists, addiction specialists, vocational specialists, peer counselors, psychiatrists, and nurses.

Community Services:

Vocational Programs – provide vocational services to the Supported Employment Teams and the Employment Focus Clusters. The range of vocational services provided includes vocational assessment and planning services, supported employment job search and coaching services, work adjustment training, job placement, and employee support services.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

Transition Age Youth Services (TAY) – are provided under the umbrella of the vocational programs. The Career Transition Program provides a unique combination of mental health, career/vocational and educational resources to assist students and their families in identifying and obtaining necessary resources to assist in a successful transition from school to work or post-secondary academic environments. The Career Academic Psychiatric-Rehabilitation Services program provides a combination of supported education and supported employment services to young adults aged 18-25 post high school to assist them in achieving their employment and academic goals. This program provides a range of services including vocational assessment, supported employment job search and coaching, assistance with college registration, and linkage to community resources.

Day Programs (Foundations) – provides outpatient rehabilitation training, seminars, and social/recreational activities to assist people in developing independent living skills and community integration skills. Any person in any of the psychiatric rehabilitation programs is eligible to participate in the Day Programs. Most skill development and recovery activities are provided in a group setting and consumers have significant input into classes and activities.

Supported Living Programs – provide counseling and independent living skills training to people living in their own homes in the community. The program is organized to assist people to live as independently as possible through counseling, skill development, and other support and assistance on a "drop in" basis. This program also provides evidence-based practices in DBT, ITCOD, and IMR.

Montgomery County Case Management – is a County-funded program to support people living in their own homes by providing linkage case management to a variety of community supports and applications to Federal and local entitlements.

Clinic and Medical Services:

Clinic – provides psychiatric therapy and medication services. The program is organized to provide continuity and integrated care. It offers individual and group treatment modalities. The program uses Evidence Base Practice interventions such as Family Psychoeducation and ITCOD. In addition, the individual therapy, group therapy, and medication services are available to anyone in the community in need of such services.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

Health Homes Program – is a part of a state-based effort to improve the health of individuals with chronic health conditions. It supports a broader effort to integrate somatic and behavioral health services. The program targets populations with behavioral health needs who are at high risk for additional chronic conditions including those with serious persistent mental health disorders and chronic health issues like diabetes, obesity, etc. Health Homes offers participants enhanced care coordination services from providers with whom they regularly receive care. Health Homes is providing services through its psychiatric rehabilitation program and Health Home staff. This is a community-based approach, not a residential program and has several important goals which include: improve the health of participants in managing their chronic health conditions; promote a positive client experience of care; and reduce healthcare costs.

Cash and Cash Equivalents

The Organization considers highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount estimated by management to be the net realizable value. The Organization charges off accounts receivable when it becomes apparent based on age or circumstances that the amounts will not be collected.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is established through charges to the provision for bad debts. The Organization evaluates the adequacy of the allowance for doubtful accounts on a periodic basis. The evaluation includes historical trends in collections and write-offs and management's judgment of the probability of collecting accounts. An allowance in the amount of $500,750 and $135,750 has been established for the year ended June 30, 2023 and 2022, respectively.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect specific amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of future cash flows. The discounts on those amounts are computed using the prime rate applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. The Organization charges off contributions receivable when it becomes apparent based on age or circumstances that the amounts will not be collected.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable (Continued)

The Organization evaluates the adequacy of the allowance for uncollectible promises to give on a periodic basis. The evaluation includes historical trends in collections, write-offs, and management's judgement of the probability of collecting promises to give. June 30, 2023 and 2022, for promises to give

Investments

Investments are reported at fair value in the statement of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measured date. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Property and Equipment

Property and equipment are recorded at cost. The Organization capitalizes property and equipment with a cost of $5,000 or greater and a useful life of greater than one year. The Organization also capitalizes leasehold improvements that add to the life and value of the real property. Amortization of leasehold improvements is computed over the shorter of the useful lives of the assets or the term of the related leases. Property and equipment held under leases included in a right of use asset account which is amortized over the lease term.

Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets as follows:

Building and Improvements	3 to 55 Years
Furniture and Equipment	2 to 10 Years
Vehicles	5 Years

Debt Issuance Costs

Debt issuance costs are amortized over the life of the bonds.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Intensive and Specialty Services

This program provides Residential Rehabilitation, Residential Room and Board, Residential Crisis, and Assertive Community Treatment (ACT). Service overview is as follows:

- Residential Rehabilitation provides general and intensive level housing. Providing training, supervision, and assistance in the skills of community living.
- Residential Crisis provides a community-based residential alternative to inpatient hospitalization with intensive 24 hours per day staff supervision.
- ACT team is an intensive evidence-based treatment model which combines outpatient mental health and psychiatric rehabilitation services out in the community through a mobile service delivery model.

Prices for intensive and specialty services are predetermined, and services are invoiced monthly. Intensive and specialty services revenue are recognized over time, as the services above are rendered.

Community Services

Community Services encompass Vocational, Transition Aged Youth, Day and Supported Living programs. Service overview is as follows:

- Vocational services include vocational assessment and planning, supported employment job search and coaching services, work adjustment training, job placement and employee support services.
- Transition Age Youth services are also provided under the umbrella of the vocational programs. The Career Transition Program provides a unique combination of mental health, career/vocational and educational resources to assist students and their families and young adults in identifying and obtaining necessary resources to assist in a successful transition from school to work or post-secondary academic environments.
- Day Programs (the Foundations) provide outpatient rehabilitation training, seminars and social/recreational activities to assist people in developing independent living skills and community integration skills.
- Supported Living services provide counseling and independent living skills training to people living in their own homes in the community.

Prices for community services are predetermined based on rate schedules, and services are invoiced monthly when the performance obligation has been met. All revenue is recognized over time as the services above are provided.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Clinical and Medical Services

Outpatient mental health clinics provide outpatient psychiatric therapy and medication services. Prices for clinic and medical services are predetermines as negotiated with agency or insurer paying. Services are invoiced and due after services are provided. All revenue is recognized over time as the service are provided.

Other Fees for Services

Other fees for services include external training and property management fees earned in the capacity as sponsor of related Housing and Urban Development (HUD) owned residential housing units. Other fees for services are recognized over time when the service are provided.

Grants and Contributions

Grant revenue, under cost reimbursable federal and nonfederal grants, is recognized based upon direct costs incurred plus allowable indirect costs. Revenue recognized but not yet reimbursed from the granting agency is reported as contributions and grants receivable in the accompanying statement of financial position.

Contributions are recognized as revenue when received or when unconditionally promised and sufficient documentation exists. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor-restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, donor-restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions, whose restrictions are met in the same reporting period, are reported as without donor restriction support. Donations containing a right of return and specific conditional barriers to recognition are not recorded as contributions until the conditions are met.

Income Taxes

The Organization is exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code (IRC) and is classified as other than a private foundation. Income determined to be unrelated business income is taxable.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of programs and supporting services activities have been summarized on a functional basis in the accompanying statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, facilities costs have been allocated among the programs and supporting services benefited based on an estimate of time and effort. Salaries are charged to program and supporting services based on an estimate of time and effort. The costs of operating the administrative facilities of the organization are allocated based on the square footage of administrative office space utilized.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). ASU 2016-02 requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally using the straight-line method. The Organization adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period. In connection with the adoption new lease liability and a right of use asset accounts were created on the statement of financial position in FY23.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

If the individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Organization has evaluated subsequent events for potential recognition and disclosure through Report Date, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY

The Organization's financial assets due within one year of the balance sheet date available for general expenditures as follows for the years ended June 30:

	2023	2022
Current Financial Assets at Year-End:		
Cash and Cash Equivalents	$ 1,495,722	$ 1,680,771
Investments, Designated for Operating Reserves	1,930,611	1,770,459
Investments, Restricted for Joan Clement Endowment Fund	279,210	257,873
Accounts Receivable from Contracts With Customers, Net of Allowance for Doubtful Accounts of $500,750 and $135,750	6,698,547	6,721,894
Contributions and Grants Receivable, Net of Discount of $1,840 and $4,458	101,826	99,208
Due from Related Parties	383,007	234,759
Total Financial Assets	10,888,923	10,764,964
Less: Amounts Not Available to be Used Within One Year:		
Net Assets With Donor Restrictions	483,939	579,274
Designated by Board of Directors	1,930,611	1,770,459
Management Designated Reserve for Taft Expenditures	175,315	175,211
Total Amounts Not Available for General Expenditures	2,589,865	2,524,944
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	$ 8,299,058	$ 8,240,020

In the event of an unanticipated liquidity need, the Organization also could draw upon its $600,000 line of credit or its designated operating reserves.

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NOTE 3 FAIR VALUE MEASUREMENT

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Equity Participation: The equity participation liability is valued at 50% of the appreciation of the estimated home values discounted to present value, less the original principal amount of the loan, Cornerstone Montgomery's initial equity contribution, and the cost of capital improvements made by Cornerstone Montgomery. The discount rates correspond to those specified in the loan agreement and range from 1% to 3%.

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NOTE 3 FAIR VALUE MEASUREMENT (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, Cornerstone Montgomery, Inc.'s fair value measurements at June 30:

2023	Level 1	Level 2	Level 3	Total
Investments at Fair Value	$ 2,209,821	$ -	$ -	$ 2,209,821
Equity Participation Liability at Fair Value	$ -	$ -	$ 812,569	$ 812,569

2022	Level 1	Level 2	Level 3	Total
Investments at Fair Value	$ 2,028,332	$ -	$ -	$ 2,028,332
Equity Participation Liability at Fair Value	$ -	$ -	$ 719,970	$ 719,970

Cornerstone Montgomery, Inc.'s Level 3 equity participation liability increased by $92,599 during the year ended June 30, 2023, and decreased by $13,509 during the year ended June 30, 2022. The increase was due to appreciation of the estimated home values discounted to present value, while the decrease was due to declines in the estimated home values discounted to present value.

NOTE 4 INVESTMENTS

The following tables set forth by type, Cornerstone Montgomery, Inc.'s investments at June 30:

	2023	2022
Mutual Funds:		
Money Market and Cash Funds	$ 11,703	$ 36,984
Equities	1,596,414	1,341,088
Fixed Income	601,704	650,260
Total	$ 2,209,821	$ 2,028,332

NOTE 5 ACCOUNTS RECEIVABLE AND DEFERRED REVENUE FROM CONTRACTS WITH CUSTOMERS

The following tables set accounts receivable and deferred revenue from contract with customers as of June 30:

	2023	2022
Accounts Receivable from Contracts With Customers, Net of Allowance for Doubtful Accounts of $135,750 and $316,261, Respectively	$ 6,698,547	$ 6,721,894
Deferred Revenue	43,823	37,358

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NOTE 6 DUE TO THIRD-PARTY PAYOR

UnitedHealth Group/Optum Maryland, a health department administrative services contractor, was engaged by the Maryland Department of Health as a new billing management Organization in 2019. Optum launched its claims processing system in January 2020 but was unable to accurately and reliably process claims due to system instability and limited functionality. Before the system was stabilized and relaunched in August 2020, the Maryland Department of Health directed Optum to make weekly estimated payments to providers beginning in January 2020 and continuing through August 2020. Estimated payments were calculated based on providers 2019 historical payment average, but the system instability occurred during the pandemic when health care services were underutilized which resulted in overpayment in some cases.

Optum made estimated payments to Cornerstone Montgomery of $10,151,360 in 2020.

Optum's payment and claim processing errors continued past the system relaunch and may continue throughout the life of the contract which runs until 2025. In fiscal year 2022 Optum issued an estimated $855,665 in duplicate payments to Cornerstone Montgomery. Cornerstone Montgomery has finalized repayment plans to repay over the next 12 month beginning in October 2022.

During the year end June, 2023 and 2022 the organization continued to make repayments according to the repayment plan agreed to with Optum.

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NOTE 7 SHORT-TERM BORROWING FACILITIES

The Organization renewed its line of credit in February 2020. The maturity date was February 2021 and included a maximum borrowing of $600,000, and an interest rate equal to the prime rate offered by the lender subject to change from time to time as set forth in the loan agreement. The interest rate under the line of credit equals the bank's prime rate plus 1.5%. The line of credit expires March 31, 2024. At June 30, 2023 the rate was 6.25%. The line of credit is secured by all the Organization's accounts receivable and property and equipment. As of June 30, 2023 and 2022, there was no outstanding balance on the line.

NOTE 8 NOTE PAYABLE

During fiscal year 2017, the Organization entered a note payable arrangement with Montgomery County, Maryland totaling $350,000. The funds were used to finance property repairs. The note does not bear interest, matures in fiscal year 2037, and payments are equal to the lesser of a) equal annual payments over the term of the note or b) 50% of the net cash flows (as defined in the agreement) for the development for the previous fiscal year. Interest was imputed on the below market rate note payable using the effective interest method at a discount rate of 3.75%. Management expects to repay the note in equal annual payments of $17,500 annually over the term of the agreement.

Principal payments for the note payable are as follows:

Year Ending June 30,	Amount
2024	$ 17,500
2025	17,500
2026	17,500
2027	17,500
2028	17,500
Thereafter	157,500
Total	$ 245,000

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NOTE 9 MORTGAGES PAYABLE

Mortgages payable at June 30, 2023 and 2022, consist of various mortgage notes bearing interest at rates of 0.00% to 5.34%, and maturing at various times through June 2055. Interest was imputed on the below market rate mortgages payable using the effective interest method at discount rate of 3.25%. The discount on below market loans is $206,569 and $222,192 at June 30, 2023 and 2022, respectively. Interest expense incurred for the mortgages during the year ended June 30, 2023 and 2022, was $57,868 and $55,289 respectively, including imputed interest on below market rate loans of $15,623 and $16,130, respectively.

In prior years, the Organization entered into certain participation mortgage loans with the Department of Housing and Community Development (DHCD) under the Group Home Financing Program. Total loans for these properties totaled $213,106 and $243,377 as of June 30, 2023 and 2022, respectively. These agreements entitle DHCD to 50% of the appreciation, as defined in the agreement, upon sale, refinancing, or transfer of the related property; upon ceasing use of the related property for its stated purpose; or default or maturity of the related note. The Organization recorded a participation liability of $812,569 and $719,970, respectively and a related mortgage loan discount of $321,217 and $274,019, respectively for the years ended June 30, 2023 and 2022, in connection with these agreements.

In accordance with certain mortgage agreements, the Organization must make aggregate monthly deposits to a reserve for replacements. Total deposits made to the reserve for the years ended June 30, 2023 and 2022, was $256,623 and $248,409, respectively and is included in deposits and other assets on the accompanying statement of financial position.

Principal payments for the mortgages payable are as follows:

Year Ending June 30,	Amount
2024	$ 184,363
2025	179,899
2026	181,412
2027	168,506
2028	167,495
Thereafter	1,153,327
Total	$ 2,035,002

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NOTE 10 BONDS PAYABLE

In May 2016, Montgomery County, Maryland issued a $5,000,000 tax-exempt Economic Development Revenue Bond. The Organization borrowed on the bond for the purchase of property and refinancing debt associated with certain other property. The bond was amended in October 2018 to adjust the interest rate and amortization schedule. Accordingly, the interest rate on the bond at the beginning of the year was 3.95% and effective October 25, 2018, the bond was amended to reflect a new interest rate of 3.60% with a maturity date of May 2036. The interest rate at June 30, 2023 and 2022, was fixed at 3.60%. The bond agreement contains certain reporting and financial covenants. As of June 30, 2023 the Organization was in compliance with the covenants.

The tax-exempt and taxable bonds are secured by the revenues of the Organization and the property listed in Note 11 as of June 30, 2023 and 2022.

Future maturities of borrowings are as follows:

Year Ending June 30,	Amount
2024	$ 227,921
2025	235,435
2026	243,207
2027	249,895
2028	259,519
Thereafter	2,211,955
Total	$ 3,427,932

NOTE 11 ASSETS PLEDGED AS COLLATERAL FOR DEBT

The following table summarizes the carrying value of assets securing the mortgage loans and bonds payable as of June 30:

2023	Mortgages	Note/Bonds Payable
Land	$ 2,393,767	$ 937,895
Building and Improvements	16,574,218	7,362,358
Deferred Lease Incentives	-	649,480
Total Carrying Amount	$ 18,967,985	$ 8,949,733

2022	Mortgages	Note/Bonds Payable
Land	$ 1,783,905	$ 937,895
Building and Improvements	15,201,529	8,110,925
Deferred Lease Incentives	-	725,845
Total Carrying Amount	$ 16,985,434	$ 9,774,665

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NOTE 12 NET ASSETS

Designated by Board of Directors

At June 30, 2023 and 2022, the board of directors designated investments reserve totaled $1,930,611 and $1,770,459, respectively. The reserve and future earnings have been designated by the board to be used at its discretion for future operations.

Restricted by Donors

Net assets restricted by donor consisted of the following at June 30:

	2023	2022
Time Restricted		
Donated Interest on Below Market Loans	$ 206,569	$ 222,192
Purpose and Time Restricted		
Joan Clement Endowment	79,210	57,873
Southport Renovation Pledge	-	103,667
Total	79,210	161,540
Perpetual in Nature		
Joan Clement Endowment	200,000	200,000
Discount on Pledge	(1,840)	(4,458)
Total Restricted Net Assets	$ 483,939	$ 579,274

Net assets that are perpetual in nature of $200,000 are available for the Joan Clement Endowment Fund at June 30, 2023 and 2022. This amount represents contributions received to assist in the creation of an endowment fund to honor the past president/CEO of St. Luke's House Inc. Endowment corpus of $200,000 must be maintained in perpetuity in accordance with the Organization's interpretation of donor intent. Appreciation above this level can be appropriated for expenditure as with donor restriction support not held in perpetuity and will be available for use at the direction of the board of directors in accordance with its spending policy below.

Releases from donor restrictions consisted of the following as of June 30:

	2023	2022
Time Restricted		
Donated Interest on Below Market Loans	$ 15,623	$ 16,130
Southport Renovation Pledges	103,666	90,000
Healthcare Initiative Fund	-	45,000
Total Release from Time Restrictions	119,289	151,130
Discount on Pledge	(2,617)	(877)
Total Release from Restrictions	$ 116,672	$ 150,253

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NOTE 12 NET ASSETS (CONTINUED)

Interpretation of Relevant Law

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the original gift amount of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor restricted net assets in its endowment fund (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not held to perpetuity in restricted net assets is considered with donor restriction net assets until those assets are appropriated for expenditures by the Organization in a manner consistent with the standards of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policies of the Organization.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to increase its endowment while seeking to maintain the purchasing power of endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to preserve principal while earning as much income as possible assuming a conservative level of investing risk.

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NOTE 12 NET ASSETS (CONTINUED)

Changes in endowment net assets by type of fund for the fiscal year ended:

June 30, 2023	Without Donor Restrictions	With Donor Restricted	Total
Endowment Net Assets - Beginning of Year	$ -	$ 257,873	$ 257,873
Investment Return:			
Investment Income, Net of Fees	-	11,927	11,927
Net Realized and Unrealized Gain	-	9,410	9,410
Total Investment Return	-	21,337	21,337
Endowment Net Assets - End of Year	$ -	$ 279,210	$ 279,210

June 30, 2022	Without Donor Restrictions	With Donor Restricted	Total
Endowment Net Assets - Beginning of Year	$ -	$ 305,226	$ 305,226
Investment Return:			
Investment Income, Net of Fees	-	21,607	21,607
Net Realized and Unrealized Loss	-	(68,960)	(68,960)
Total Investment Return	-	(47,353)	(47,353)
Endowment Net Assets - End of Year	$ -	$ 257,873	$ 257,873

Composition of endowment net assets as of fiscal year ended June 30:

	Without Donor Restrictions	With Donor Restrictions	2023 Total
Amount Subject to Expenditure for Purpose	$ -	$ 79,210	$ 79,210
Portion Subject to Spending Policy	-	200,000	200,000
	$ -	$ 279,210	$ 279,210

	Without Donor Restrictions	With Donor Restrictions	2022 Total
Portion Subject to Spending Policy and Appropriation	$ -	$ 57,873	$ 57,873
Portion Held in Perpetuity	-	200,000	200,000
Total	$ -	$ 257,873	$ 257,873

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NOTE 13 RENTAL INCOME UNDER OPERATING LEASES

The Organization has operating leases with various tenants under noncancelable agreements which expire at various times through February 2046. The agreements call for minimum fixed rental increases. Rent income is recorded on a straight-line basis over the lease terms. For the years ended June 30, 2023 and 2022 the difference between the total contractual straight-line and cash basis rent income is deferred rent of $364,761 and $340,811, respectively and amortized to rent income over the lease term. Each lease agreement included incentives to construct leasehold improvements to the lessees' specifications and paid for by the Organization. The lease incentives have been recorded as deferred lease incentive assets and are amortized over the lease terms. Unamortized deferred lease incentives were $649,480 and $725,845 as of June 30, 2023 and 2022, respectively.

Rent income consisted of the following as of June 30:

	2023	2022
Minimum Rental	$ 352,172	$ 319,927
Deferred Lease Incentive	(76,365)	(76,365)
Deferred Lease Income	7,883	30,348
Total	$ 283,690	$ 273,910

Future minimum lease payments to be received from these agreements as of June 30, 2023 are as follows:

Year Ending June 30,	Amount
2023	$ 284,828
2024	293,373
2025	302,174
2026	311,239
2027	311,239
Thereafter	2,325,060
Total	$ 3,827,913

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NOTE 14 DEFINED CONTRIBUTION PENSION PLANS

The Organization sponsors a defined contribution 403(b) plan (the Plan) for employees that are eligible to participate in the deferral and match components of the Plan on the later of their date of employment or upon turning 21 years of age. At the discretion of the board of directors, the Organization may make discretionary match contributions. The Organization contributed $257,026 and $231,176 into the Plan for the year ended June 30, 2023 and 2022.

Effective July 1, 2018, the Organization established a 457(b) plan (the Deferred Compensation Plan) in accordance with 457(b) of the IRC for a management official. The Deferred Compensation Plan permits the participant to defer a portion of compensation, to be paid out in future years. No employer contributions were made during the year ended June 30, 2023 and 2022.

Deferred compensation and investments designated for such deferrals are only available to the participant, or their beneficiaries, upon termination of employment, retirement, or death. Until paid or made available to the participant or beneficiary, all deferred amounts, investments earnings related to deferred amounts, and all property and rights purchased with these amounts are solely the property and rights of the Organization. The Deferred Compensation Plan's investments consist of marketable securities and are recorded at fair value and are reflected as both an asset and liability of the Organization. These level one investments are held in a diversified portfolio of stocks and bonds.

NOTE 15 LEASES

Operating Leases
The Organization has a 98.5-year lease with St. Luke's Episcopal Church for the land upon which the Organization's Southport Center is built. The lease provided for annual rent of $9,756 for the year ended June 30, 2023 and 2022, with increases based on the consumer price index. The lease expires December 31, 2086, at which time the title to all improvements on the land, including the Southport Center, will pass to St. Luke's Episcopal Church. In addition, the Organization leases office space and residential apartments under noncancelable leases.

Finance Leases
The Organization leases equipment and vehicles under non-cancellable leases that are classified as financing leases. The leases expire at various dates through FY 2028.

The obligation under the leases are represented on the consolidated statements of financial position as a lease liability which is the discounted future lease payments. The payments are discounted using a weighted average discount rate 3.20% for its finance leases and 3.66% for its operating leases. A right of use (ROU) asset is recorded on the statement of financial position that represents the occupancy rights the Organization has relative to the underlying assets. The weighted average remaining lease term as of June 30, 2023 is 3.7 years for the Organization's finance leases and 39.35 years for the Organization's operating leases. The amount of ROU assets exchanged for new lease liabilities was $479,841 (operating leases) and $1,087,961 (finance leases) during the year end June 30, 2023.

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NOTE 15 LEASES (CONTINUED)

Total operating lease costs was $91,866 and $889,542 for the years ended June 30, 2023 and 2022, respectively. The organization had short term lease agreements pertaining to primarily to residential properties for which the organization incurred $869,849 in rent expense during the year end June 30, 2023.

Total finance lease costs $231,790 for the years ended June 30, 2023.

A maturity analysis of annual cash flows for lease liabilities as of June 30, 2023 is as follows:

	Finance	Operating
2024	$ 176,973	$ 152,226
2025	102,626	133,367
2026	101,110	131,477
2027	83,104	94,674
2028	41,843	40,692
Thereafter	-	1,288,170
Total	505,656	1,840,606
Less: Present value discount	(31,386)	(814,259)
Lease liability	$ 474,270	$ 1,026,347

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NOTE 16 CONTINGENT LIABILITIES AND COMMITMENTS

The Organization receives a substantial portion of its revenue from government grants and fees, certain of which are subject to audit by various government agencies. Until all audits through June 30, 2023, have been completed and final settlements have been reached, there exists a contingent liability to refund any amount received in excess of allowable costs. Management is of the opinion that no significant liability will result from these audits, if any.

NOTE 17 RELATED PARTY TRANSACTIONS

Certain clients of the Organization reside in homes owned by St. Luke's Homes, Inc., Waterside Homes, Inc., Second Step, Inc., and Second Step II, Inc. The Organization is the sponsor of the organizations. The Organization provides property management services and during the normal course of business may lend operating funds to the organizations. Two members of the Organization's management are on the board of directors of the sponsored organizations.

The following lists the amounts charged to these related parties for cost sharing paid by the Organization for client housing for the year ended June 30:

	2023	2022
Second Step, Inc.	$ 63,745	$ 58,103
Second Step II, Inc.	31,298	30,709
St. Luke's Homes, Inc.	78,961	54,714
Waterside Homes, Inc.	31,661	32,105
Total	$ 205,665	$ 175,631

The following lists the amounts charged to these related parties for property management services for the year ended June 30:

	2023	2022
Second Step, Inc.	$ 7,261	$ 9,681
Second Step II, Inc.	2,966	2,966
St. Luke's Homes, Inc.	2,657	2,657
Waterside Homes, Inc.	5,478	5,478
Total	$ 18,362	$ 20,782

The following lists the net amount due from these related parties as of June 30:

	2023	2022
Second Step, Inc.	$ 60,861	$ 9,837
Second Step II, Inc.	38,222	38,222
St. Luke's Homes, Inc.	200,931	144,096
Waterside Homes, Inc.	82,993	42,604
Total	$ 383,007	$ 234,759

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NOTE 18 CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Organization to concentration of credit risk, include cash and cash equivalents and investments. It is the Organization's practice to place its cash and cash equivalents and investments in high credit quality institutions to mitigate this risk. The Organization maintains its cash balances at several financial institutions which at times, may exceed federally insured limits.

NOTE 19 CONCENTRATION OF REVENUE AND RECEIVABLES

The Organization receives a majority of its total revenue and support from one payor of its service fee revenue. For the year ended June 30, 2023 and 2022, revenue from the state of Maryland funded Medicaid program made up approximately 52% and 69% of total revenue and support, respectively. Receivables from this program for services performed were approximately 69% and 82% of net accounts and contributions and grants receivables as of June 30, 2023 and 2022, respectively.

NOTE 20 GENERAL CONTINGENCIES

Litigation

From time to time, the Organization may be a party to lawsuits or have claims pending against it. In the opinion of management, the ultimate liabilities, if any, resulting from such lawsuits and claims will not materially affect the financial position of the Organization.

NOTE 21 SUPPLEMENTAL CASH FLOW INFORMATION

Noncash Investing and Financing Transactions

During the year ended June 30, 2023 and 2022 equity participation liability increased (decreased) by $92,599 and ($13,509) as a result of a decrease of the estimated home values discounted to present value.

Supplemental Disclosure of Cash Flow Information

Cash paid for interest during the year ended June 30, 2023 and 2022, was $243,601 and $237,134, respectively.

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NOTE 22 CONDITIONAL GRANTS

The Organization had $342,863 and $1,424,798 in conditional grants and contributions for which the condition had not been met as of June 30, 2023 and 2022, respectively.

NOTE 23 ACQUSITION OF SOUTHERN MARYLAND COMMUNITY NETWORK

On September 23, 2022, the Board of Directors of Cornerstone Montgomery approved a plan and agreement of acquisition that established a framework for acquiring Southern Maryland Community Network. Southern Maryland Community Network is a 501 (C)(3) nonprofit behavioral health provider serving Calvert, St. Mary's and Charles Counties. A final affirmative vote of confidence by the Board occurred in March 2023 and the acquisition was effective as of April 1, 2023. In connection with the acquisition, the accounts of Southern Maryland were valued at fair value. During the acquisition control by Cornerstone Montgomery of Southern Maryland Community Network was obtained through a majority board representation. Cornerstone Montgomery transferred no consideration in exchange for the net assets of Southern Maryland Community Network. The below summarizes the fair value of the assets acquired and liabilities assumed as well as the inherent contribution that resulted from the fair value of the assets acquired exceeding the fair value of the liabilities assumed.

Cash	$	746,319
Accounts Receivable		1,120,143
Grants Receivable		205,913
Prepaid Expenses		24,281
Right of Use Assets		289,036
Property and Equipment		3,936,547
Security Deposit		7,047
Total Assets Aquired	$	6,329,286
Accounts Payable and Accrued Expenses	$	314,002
Lease Liabilities		291,367
Mortgages Payable		406,323
Total Liabilities Assumed	$	1,011,692
Inherent Contribution	$	5,317,594

Preliminary Draft

CORNERSTONE MONTGOMERY, INC.
QUARTERLY REPORT TO THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE HUMAN SERVICE (DHMH 438 REPORTING REQUIREMENT)
QUARTER ENDING JUNE 30, 2023

DEPARTMENT OF HEALTH AND MENTAL HYGIENE
HUMAN SERVICE AGREEMENTS
DHMH 438
INTERIM REPORT OF ACTUAL EXPENSES, RECEIPTS
AND PERFORMANCE MEASURES

SECTION I.

1) VENDOR NAME: Cornerstone Southern Maryland
2) VENDOR ADDRESS: P.O. Box 998
3) CITY/STATE/ZIP: Prince Frederick, MD 20678
4) PROJECT TITLE: ACT Grant Start up
5) TELEPHONE NUMBER: (410) 535-4787
6) CONTACT PERSON: Rush Cox
7) DIRECTOR'S NAME: Karen Carloni
8) FEDERAL EMPLOYER II: 52-1241267
9) CONTRACT AWARD#: BH 025 MAR
10) STATE FISCAL YEAR: FY 2023
11) REPORT PERIOI: 4/1/2023 TO 6/30/2023

By my signature, I attest that the information contained is correct, that payment requested is just and correct and that payment has not been requested previously.

12) SIGNATURE: [signature] (BLUE INK) 7/17/2023 (DATE)

SECTION II.
SUMMARY OF EXPENDITURES

LINE ITEMS MAY NOT BE CHANGED	APPROVED TOTAL PROGRAM BUDGET	ACTUAL EXPEND. THRU 6/30/2023	VARIANCE UNDER (OVER)
SALARIES/SPECIAL PMTS	111,764.00	84,381.78	27,382.22
FRINGE	36,125.00	20,831.89	15,293.11
CONSULTANTS	10,459.00	0.00	
EQUIPMENT /FURNISHING	7,000.00	0.00	7,000.00
PURCHASE OF SERVICE	0.00		
RENOVATION	0.00		
CONSTRUCTION	0.00		
REAL PROPERTY PURCHASE	0.00		
UTILITIES	1,596.00	3,335.49	-1,739.49
RENT / OCCUPANCY EXPENSE	9,375.00	8,375.95	999.05
FOOD	0.00		
INSURANCE	3,644.00	3,369.73	274.27
PROF. DUES/LICENSE FEES	3,005.00	46.92	2,958.08
OFFICE SUPPLIES	2,863.00	453.11	2,409.89
TRANSPORT/TRAVEL	8,594.00	3,174.25	5,419.75
HOUSEKEEPING/	0.00	0.00	0.00
MAINTENANCE/REPAIRS	2,875.00	7,655.26	-4,780.26
POSTAGE	0.00	18.00	-18.00
PRINTING/DUPLICATION	0.00	12.46	-12.46
STAFF DEVELOPMENT/	0.00	0.00	0.00
TRAINING	2,000.00	12.00	1,988.00
CLIENT ACTIVITIES	2,260.00	318.65	1,941.35
ADVERTISING	0.00	0.00	0.00
LEGAL/ACCOUNTING AUDIT	0.00	0.00	0.00
TOTAL DIRECT COSTS	201,560.00	131,985.49	59,115.51
INDIRECT COST (Admin Overhead)	13,837.00	13,836.00	1.00
TOTAL COSTS	215,397.00	145,821.49	59,116.51
LESS: ACT FEE FOR SERVICE	(17,322.00)	(26,706.45)	9,384.45
	0.00		
	0.00	0.00	0.00
TOTAL	198,075.00	119,115.04	68,500.96

DHMH 438 (REV. August 2001)

SECTION III
SUMMARY OF RECEIPTS

SOURCE OF FUNDS	ACTUAL RECEIPTS	DPCA ONLY
DHMH	116,544.81	
OTHER STATE (PRP)	26,706.45	
LOCAL GOVT.		
DIRECT FEDERAL		
FUND RAISING		
UNITED CHARITIES		
INTEREST		
CARRYOVER		
FOOD STAMPS		
OTHER (SPECIFY)		
-CLIENT FEES-		
PRIVATE PAY		
MEDICAID		
MEDICARE		
INSURANCE		
SSI		
OTHER (SPECIFY)		
TOTAL	143,251.26	

SECTION IV. PERFORMANCE MEASURES

PERFORMANCE MEASURE	BUDGET ESTIMATE	YTD THRU

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CORNERSTONE MONTGOMERY, INC.
QUARTERLY REPORT TO THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE HUMAN SERVICE (DHMH 438 REPORTING REQUIREMENT)
QUARTER ENDING JUNE 30, 2023

DEPARTMENT OF HEALTH AND MENTAL HYGIENE
HUMAN SERVICE AGREEMENTS
DHMH 438
INTERIM REPORT OF ACTUAL EXPENSES, RECEIPTS
AND PERFORMANCE MEASURES

SECTION I.

1) VENDOR NAME	Cornerstone Southern Maryland	9) CONTRACT AWARD#	MH 448 OTH
2) VENDOR ADDRESS	P.O. Box 998	10) STATE FISCAL YEAR	FY 2023
3) CITY/STATE/ZIP	Prince Frederick, MD 20678	11) REPORT PERIOI	4/1/2023 TO 6/30/2023
4) PROJECT TITLE	IHIP-C Calvert & St.Mary's Counties	By my signature, I attest that the information	
5) TELEPHONE NUMBER	(410) 535-4787	contained is correct, that payment requested is just	
6) CONTACT PERSON	Rush Cox	and correct and that payment has not been	
7) DIRECTOR'S NAME	Karen Carloni	requested previously.	
8) FEDERAL EMPLOYER II	52-1241267	12) SIGNATURE	7/17/2023
		BLUE INK	DATE

SECTION II.
SUMMARY OF EXPENDITURES

LINE ITEMS MAY NOT BE CHANGED	APPROVED TOTAL PROGRAM BUDGET	ACTUAL EXPEND. THRU 6/30/2023	VARIANCE UNDER (OVER)
SALARIES/SPECIAL PMTS	55,335.00	67,454.70	(12,119.70)
FRINGE	13,120.00	14,919.56	(1,799.56)
CONSULTANTS			0.00
EQUIPMENT			0.00
PURCHASE OF SERVICE			0.00
RENOVATION			0.00
CONSTRUCTION			0.00
REAL PROPERTY PURCHASE			0.00
UTILITIES	2,083.00	1,734.67	348.33
RENT / OCCUPANCY EXPENSE	1,876.00	2,272.91	(396.91)
FOOD			0.00
INSURANCE	3,781.00	2,880.66	900.34
PROF. DUES/LICENSE FEES	525.00	422.28	102.72
OFFICE SUPPLIES	590.00	1,248.02	(658.02)
TRANSPORT/TRAVEL	3,171.00	2,130.58	1,040.42
HOUSEKEEPING/	356.00	362.53	(6.53)
MAINTENANCE/REPAIRS	2,188.00	2,428.64	(240.64)
POSTAGE	45.00	15.96	29.04
PRINTING/DUPLICATION	51.00	112.12	(61.12)
STAFF DEVELOPMENT/			0.00
TRAINING	438.00	1,041.26	(603.26)
CLIENT ACTIVITIES			0.00
ADVERTISING		0.00	0.00
LEGAL/ACCOUNTING AUDIT	375.00	0.00	375.00
TOTAL DIRECT COSTS	83,934.00	97,023.89	(13,089.89)
INDIRECT COST (Admin Overhead)	6,609.00	6,937.50	(328.50)
TOTAL COSTS	90,543.00	103,961.39	(13,418.39)
LESS: PRP SERVICE FEE	(19,110.00)	(27,282.52)	8,172.52
LESS: PROGRAM LOSS	0.00	0.00	0.00
TOTAL	71,433.00	76,678.87	(5,245.87)

SECTION III
SUMMARY OF RECEIPTS

SOURCE OF FUNDS	ACTUAL RECEIPTS	DPCA ONLY
DHMH	76,746.68	
OTHER STATE (PRP)	27,282.52	
LOCAL GOVT.		
DIRECT FEDERAL		
FUND RAISING		
UNITED CHARITIES		
INTEREST		
CARRYOVER		
FOOD STAMPS		
OTHER (SPECIFY)		
-CLIENT FEES-		
PRIVATE PAY		
MEDICAID		
MEDICARE		
INSURANCE		
SSI		
OTHER (SPECIFY)		
TOTAL	104,029.20	

SECTION IV. PERFORMANCE MEASURES

PERFORMANCE MEASURE	BUDGET ESTIMATE	YTD THRU

DHMH 438 (REV. August 2001)

Preliminary Draft

CORNERSTONE MONTGOMERY, INC.
QUARTERLY REPORT TO THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE HUMAN SERVICE (DHMH 438 REPORTING REQUIREMENT)
QUARTER ENDING JUNE 30, 2023

DEPARTMENT OF HEALTH AND MENTAL HYGIENE
HUMAN SERVICE AGREEMENTS
DHMH 438
INTERIM REPORT OF ACTUAL EXPENSES, RECEIPTS
AND PERFORMANCE MEASURES

SECTION I.

1) VENDOR NAME	Cornerstone Southern Maryland	9) CONTRACT AWARD#	MH 448 OTH
2) VENDOR ADDRESS	P.O. Box 998	10) STATE FISCAL YEAR	FY 2023
3) CITY/STATE/ZIP	Prince Frederick, MD 20678	11) REPORT PERIOI	4/1/2023 TO 6/30/2023
4) PROJECT TITLE	IHIP-C Charles County	By my signature, I attest that the information	
5) TELEPHONE NUMBER	(410) 535-4787	contained is correct, that payment requested is just	
6) CONTACT PERSON	Rush Cox	and correct and that payment has not been	
7) DIRECTOR'S NAME	Karen Carloni	requested previously.	
8) FEDERAL EMPLOYER II	52-1241267	12) SIGNATURE	7/17/2023
		BLUE INK	DATE

SECTION II.
SUMMARY OF EXPENDITURES

LINE ITEMS MAY NOT BE CHANGED	APPROVED TOTAL PROGRAM BUDGET	ACTUAL EXPEND. THRU 6/30/2023	VARIANCE UNDER (OVER)
SALARIES/SPECIAL PMTS	23,072.00	19,983.69	3,088.31
FRINGE	5,275.00	3,798.69	1,476.31
CONSULTANTS			0.00
EQUIPMENT			0.00
PURCHASE OF SERVICE			0.00
RENOVATION			0.00
CONSTRUCTION			0.00
REAL PROPERTY PURCHASE			0.00
UTILITIES	892.00	420.24	471.76
RENT / OCCUPANCY EXPENSE	1,345.00	1,622.85	-277.85
FOOD			0.00
INSURANCE	1,058.00	1,000.18	57.82
PROF. DUES/LICENSE FEES	204.00	140.76	63.24
OFFICE SUPPLIES	369.00	560.26	-191.26
TRANSPORT/TRAVEL	542.00	1,171.14	-629.14
HOUSEKEEPING/ MAINTENANCE/REPAIRS	1,031.00	0.00 1,025.41	0.00 5.59
POSTAGE	23.00	12.48	10.52
PRINTING/DUPLICATION	15.00	37.38	-22.38
STAFF DEVELOPMENT/ TRAINING	196.00	204.99	0.00 -8.99
CLIENT ACTIVITIES			0.00
ADVERTISING		0.00	0.00
LEGAL/ACCOUNTING AUDIT	188.00	0.00	188.00
TOTAL DIRECT COSTS	34,210.00	29,978.07	4,231.93
INDIRECT COST (Admin Overhead)	2,792.00	2,737.50	54.50
TOTAL COSTS	37,002.00	32,715.57	4,286.43
LESS: PRP SERVICE FEE	(8,397.00)	(8,351.90)	-45.10
LESS: IHIS WAIVER SERVICE FEE	0.00		0.00
LESS: PROGRAM LOSS	0.00	0.00	0.00
TOTAL	28,605.00	24,363.67	4,241.33

DHMH 438 (REV. August 2001)

SECTION III
SUMMARY OF RECEIPTS

SOURCE OF FUNDS	ACTUAL RECEIPTS	DPCA ONLY
DHMH	24,219.14	
OTHER STATE (PRP)	8,351.90	
LOCAL GOVT.		
DIRECT FEDERAL		
FUND RAISING		
UNITED CHARITIES		
INTEREST		
CARRYOVER		
FOOD STAMPS		
OTHER (SPECIFY)		
-CLIENT FEES- PRIVATE PAY		
MEDICAID		
MEDICARE		
INSURANCE		
SSI		
OTHER (SPECIFY)		
TOTAL	32,571.04	

SECTION IV. PERFORMANCE MEASURES

PERFORMANCE MEASURE	BUDGET ESTIMATE	YTD THRU

Preliminary Draft

CORNERSTONE MONTGOMERY, INC.
QUARTERLY REPORT TO THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE HUMAN SERVICE (DHMH 438 REPORTING REQUIREMENT)
QUARTER ENDING JUNE 30, 2023

DEPARTMENT OF HEALTH AND MENTAL HYGIENE
HUMAN SERVICE AGREEMENTS
DHMH 438
INTERIM REPORT OF ACTUAL EXPENSES, RECEIPTS
AND PERFORMANCE MEASURES

SECTION I.

1) VENDOR NAME: Cornerstone Southern Maryland
2) VENDOR ADDRESS: P.O. Box 998
3) CITY/STATE/ZIP: Prince Frederick, MD 20678
4) PROJECT TITLE: Mental Health Stabilization (YCR)
5) TELEPHONE NUMBER: (410) 535-4787
6) CONTACT PERSON: Rush Cox
7) DIRECTOR'S NAME: Karen Carloni
8) FEDERAL EMPLOYER II: 52-1241267
9) CONTRACT AWARD#: MH 591 OTH
10) STATE FISCAL YEAR: FY 2023
11) REPORT PERIOI: 4/1/2023 TO 6/30/203

By my signature, I attest that the information contained is correct, that payment requested is just and correct and that payment has not been requested previously.

12) SIGNATURE: [signature] (BLUE INK) 7/14/2023 (DATE)

SECTION II.
SUMMARY OF EXPENDITURES

LINE ITEMS MAY NOT BE CHANGED	APPROVED TOTAL PROGRAM BUDGET	ACTUAL EXPEND. THRU 6/30/203	VARIANCE UNDER (OVER)
SALARIES/SPECIAL PMTS	22,683.00	11,938.90	10,744.10
FRINGE	5,399.00	1,330.28	4,068.72
CONSULTANTS	8,125.00	0.00	8,125.00
EQUIPMENT			0.00
PURCHASE OF SERVICE			0.00
RENOVATION			0.00
CONSTRUCTION			0.00
REAL PROPERTY PURCHASE			0.00
UTILITIES	930.00	504.80	425.20
RENT / OCCUPANCY EXPENSE	316.00	229.91	86.09
FOOD			0.00
INSURANCE	1,418.00	920.10	497.90
PROF. DUES/LICENSE FEES	125.00	140.76	-15.76
OFFICE SUPPLIES	644.00	119.59	524.41
TRANSPORT/TRAVEL	1,814.00	0.00	1,814.00
HOUSEKEEPING/	111.00	117.16	-6.16
MAINTENANCE/REPAIRS	908.00	484.53	423.47
POSTAGE	28.00	0.00	28.00
PRINTING/DUPLICATION	202.00	49.83	152.17
STAFF DEVELOPMENT/			0.00
TRAINING	367.00	0.00	367.00
CLIENT ACTIVITIES			0.00
ADVERTISING	188.00	0.00	188.00
LEGAL/ACCOUNTING AUDIT	188.00	0.00	188.00
TOTAL DIRECT COSTS	43,446.00	15,835.86	27,610.14
INDIRECT COST (Admin Overhead)	4,827.00	3,243.00	1,584.00
TOTAL COSTS	48,273.00	19,078.86	29,194.14
LESS:			0.00
LESS:			0.00
LESS:			0.00
TOTAL	48,273.00	19,078.86	29,194.14

DHMH 438 (REV. August 2001)

SECTION III
SUMMARY OF RECEIPTS

SOURCE OF FUNDS	ACTUAL RECEIPTS	DPCA ONLY
DHMH	19,079.24	
OTHER STATE (PRP)	0.00	
LOCAL GOVT.		
DIRECT FEDERAL		
FUND RAISING		
UNITED CHARITIES		
INTEREST		
CARRYOVER		
FOOD STAMPS		
OTHER (SPECIFY)		
-CLIENT FEES-		
PRIVATE PAY		
MEDICAID		
MEDICARE		
INSURANCE		
SSI		
OTHER (SPECIFY)		
TOTAL	19,079.24	

SECTION IV. PERFORMANCE MEASURES

PERFORMANCE MEASURE	BUDGET ESTIMATE	YTD THRU

Preliminary Draft

CORNERSTONE MONTGOMERY, INC.
QUARTERLY REPORT TO THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE HUMAN SERVICE (DHMH 438 REPORTING REQUIREMENT)
QUARTER ENDING JUNE 30, 2023

DEPARTMENT OF HEALTH AND MENTAL HYGIENE
HUMAN SERVICES AGREEMENTS
DHMH 438
INTERIM REPORT OF ACTUAL EXPENSES & RECEIPTS
AND PERFORMANCE MEASURES

SECTION I.

1) VENDOR NAME	Cornerstone Southern Maryland	9) CONTRACT AWARD #	BH308MCS / F897N
2) VENDOR ADDRESS	P. O. Box 998	10) STATE FISCAL YEAR	FY 2023
3) CITY/STATE/ZIP	Prince Frederick, MD 20678	11) REPORTING PERIOD	4/1/2023 TO 6/30/2023
4) PROJECT TITLE	Maryland Readmission Reduction Pilot Program	By my signature, I attest that the information contained is	
5) TELEPHONE NUMBER	(410) 535-4787	correct, that payment requested is just and correct and that	
6) CONTACT PERSON	Rush Cox	payment has not been requested previously.	
7) DIRECTOR'S NAME	Karen Carloni	12) SIGNATURE	7/19/2023
8) FEDERAL EMPLOYER ID	52-1241267	(BLUE INK)	DATE

SECTION II. SUMMARY OF EXPENDITURES

LINE ITEMS MAY NOT BE CHANGED	FINAL/APPROVED TOTAL PROGRAM BUDGET	ACTUAL EXPEND YTD 6/30/2023	VARIANCE UNDER (OVER)
SALARIES/SPEC. PMTS.	21,090.00	1,370.43	19,719.57
FRINGE	3,796.00	132.91	3,663.09
CONSULTANTS	3,049.00	0.00	3,049.00
EQUIPMENT	0.00	0.00	0.00
PURCHASE OF SERVICE	0.00	0.00	0.00
RENOVATION	0.00	0.00	0.00
CONSTRUCTION	0.00	0.00	0.00
REAL PROPERTY PURCHASE	0.00	0.00	0.00
UTILITIES	779.00	26.27	752.73
RENT/OCCUPANCY EXPENSES	734.00	170.25	563.75
FOOD	0.00	0.00	0.00
MEDICINES & DRUGS	0.00	0.00	0.00
MEDICAL SUPPLIES	0.00	0.00	0.00
OFFICE SUPPLIES	153.00	5.12	147.88
TRANSPORT/TRAVEL	1,374.00	42.44	1,331.56
HOUSEKEEPING/	0.00	0.00	0.00
MAINTENANCE/REPAIRS	307.00	43.29	263.71
POSTAGE	76.00	0.00	76.00
PRINTING/DUPLICATION	164.00	2.24	161.76
STAFF DEVELOPMENT/	306.00	1.65	304.35
TRAINING	0.00	0.00	0.00
CLIENT ACTIVITIES	0.00	0.00	0.00
ADVERTISING	0.00	0.00	0.00
INSURANCE	1,245.00	58.11	1,186.89
LEGAL/ACCOUNTING AUDIT	200.00	0.00	200.00
PROFESSIONAL DUES	342.00	56.77	285.23
OTHER	0.00	0.00	0.00
(ATTACH ITEMIZATION)	0.00	0.00	0.00
LICENSE - HMIS	0.00	0.00	0.00
PROGRAM SUPPLIES	0.00	4.50	(4.50)
TOTAL DIRECT COSTS	33,615.00	1,913.98	31,701.02
INDIRECT COST	3,735.00	173.25	3,561.75
TOTAL COSTS	37,350.00	2,087.23	35,262.77

SECTION III. SUMMARY OF RECEIPTS

SOURCE OF FUNDS	ACTUAL RECEIPTS	DPCA ONLY
DHMH	2,087.23	
OTHER STATE		
LOCAL GOVT.		
DIRECT FEDERAL		
FUND RAISING		
UNITED CHARITIES		
INTEREST		
CARRYOVER		
FOOD STAMPS		
OTHER (SPECIFY)		
CLIENT FEES		
PRIVATE PAY		
MEDICAID		
MEDICARE		
INSURANCE		
SSI		
OTHER (SPECIFY)		
TOTAL	2,087.23	

SECTION IV. PERFORMANCE MEASURES

PERFORMANCE MEASURE	BUDGET ESTIMATE	YTD THRU
See attachment		

Preliminary Draft

CORNERSTONE MONTGOMERY, INC.
QUARTERLY REPORT TO THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE HUMAN SERVICE (DHMH 438 REPORTING REQUIREMENT)
QUARTER ENDING JUNE 30, 2023

DEPARTMENT OF HEALTH AND MENTAL HYGIENE
HUMAN SERVICE AGREEMENTS
DHMH 438
INTERIM REPORT OF ACTUAL EXPENSES, RECEIPTS
AND PERFORMANCE MEASURES

SECTION I.

1) VENDOR NAME	Cornerstone Southern Maryland	9) CONTRACT AWARD#	
2) VENDOR ADDRESS	P.O. Box 998	10) STATE FISCAL YEAR	FY 2023
3) CITY/STATE/ZIP	Prince Frederick, MD 20678	11) REPORT PERIOI	4/1/2023 TO 6/30/2023
4) PROJECT TITLE	Behavior Health Liaison	By my signature, I attest that the information	
5) TELEPHONE NUMBER	(410) 535-4787	contained is correct, that payment requested is just	
6) CONTACT PERSON	Rush Cox	and correct and that payment has not been	
7) DIRECTOR'S NAME	Karen Carloni	requested previously.	
8) FEDERAL EMPLOYER II	52-1241267	12) SIGNATURE (BLUE INK)	7/25/2023 DATE

SECTION II.
SUMMARY OF EXPENDITURES

LINE ITEMS MAY NOT BE CHANGED	APPROVED TOTAL PROGRAM BUDGET	ACTUAL EXPEND. THRU 6/30/2023	VARIANCE UNDER (OVER)
SALARIES/SPECIAL PMTS	22,532.00	29,473.59	(6,941.59)
FRINGE	3,754.00	7,962.83	(4,208.83)
CONSULTANTS	799.00	0.00	799.00
EQUIPMENT	0.00	0.00	-
PURCHASE OF SERVICE	0.00	0.00	-
RENOVATION	0.00	0.00	-
CONSTRUCTION	0.00	0.00	-
REAL PROPERTY PURCHASE	0.00	0.00	-
UTILITIES	969.00	711.34	257.66
RENT/OCCUPANCY EXPENSE	315.00	421.32	(106.32)
FOOD	0.00	0.00	-
INSURANCE	1,270.00	2,197.70	(927.70)
PROF. DUES/LICENSE FEES	156.00	140.76	15.24
OFFICE SUPPLIES	245.00	58.70	186.30
TRANSPORT/TRAVEL	276.00	6.00	270.00
HOUSEKEEPING/	0.00	0.00	-
MAINTENANCE/REPAIRS	307.00	490.53	(183.53)
POSTAGE	76.00	0.00	76.00
PRINTING/DUPLICATION	165.00	62.29	102.71
STAFF DEVELOPMENT/	0.00	0.00	-
TRAINING	168.00	0.00	168.00
CLIENT ACTIVITIES	0.00	0.00	-
ADVERTISING	0.00	0.00	-
LEGAL/ACCOUNTING AUDIT	200.00	0.00	200.00
OTHER: PROGRAM SUPPLIES	77.00	97.67	(20.67)
VEHICLE LEASE	1,195.00	0.00	1,195.00
RECRUITING	0.00	0.00	-
TOTAL DIRECT COSTS	32,504.00	41,622.73	(9,118.73)
Indirect Cost (admin Overhead)	3,611.00	4,312.00	(701.00)
TOTAL COSTS	36,115.00	45,934.73	(9,819.73)
LESS: PROGRAM LOSS	-		-
TOTAL DHMH FUNDING	36,115.00	45,934.73	(9,819.73)

SECTION III
SUMMARY OF RECEIPTS

SOURCE OF FUNDS	ACTUAL RECEIPTS	DPCA ONLY
DHMH	$ 36,115.23	
OTHER STATE		
LOCAL GOVT.		
DIRECT FEDERAL		
FUND RAISING		
UNITED CHARITIES		
INTEREST		
CARRYOVER		
FOOD STAMPS		
OTHER (SPECIFY)		
-CLIENT FEES-		
PRIVATE PAY		
MEDICAID		
MEDICARE		
INSURANCE		
SSI		
OTHER (SPECIFY)		
TOTAL	$ 36,115.23	

SECTION IV. PERFORMANCE MEASURES

PERFORMANCE MEASURE	BUDGET ESTIMATE	YTD THRU

DHMH 438 (REV. August 2001)

Preliminary Draft

CORNERSTONE MONTGOMERY, INC.
QUARTERLY REPORT TO THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE HUMAN SERVICE (DHMH 438 REPORTING REQUIREMENT)
QUARTER ENDING JUNE 30, 2023

DEPARTMENT OF HEALTH AND MENTAL HYGIENE
HUMAN SERVICES AGREEMENTS
DHMH 438
INTERIM REPORT OF ACTUAL EXPENSES & RECEIPTS
AND PERFORMANCE MEASURES

SECTION I.

1) VENDOR NAME	Cornerstone Southern Maryland	9) CONTRACT AWARD #	0
2) VENDOR ADDRESS	P. O. Box 998	10) STATE FISCAL YEAR	FY 2023
3) CITY/STATE/ZIP	Prince Frederick, MD 20678	11) REPORTING PERIOD	4/1/2023 TO 6/30/2023
4) PROJECT TITLE	Project for Assistance in Transition from Homelessness	By my signature, I attest that the information contained is	
5) TELEPHONE NUMBER	(410) 535-4787	correct, that payment requested is just and correct and that	
6) CONTACT PERSON	Rush Cox	payment has not been requested previously.	
7) DIRECTOR'S NAME	Karen Carloni	12) SIGNATURE	7/25/2023
8) FEDERAL EMPLOYER ID	52-1241267	(BLUE INK)	DATE

SECTION II. SUMMARY OF EXPENDITURES

LINE ITEMS MAY NOT BE CHANGED	FINAL/APPROVED TOTAL PROGRAM BUDGET	ACTUAL EXPEND YTD 6/30/2023	VARIANCE UNDER (OVER)
SALARIES/SPEC. PMTS.	6,990.00	7,769.27	(779.27)
FRINGE	545.00	902.68	(357.68)
CONSULTANTS	0.00	0.00	0.00
EQUIPMENT	0.00	0.00	0.00
PURCHASE OF SERVICE	0.00	0.00	0.00
RENOVATION	0.00	0.00	0.00
CONSTRUCTION	0.00	0.00	0.00
REAL PROPERTY PURCHASE	0.00	0.00	0.00
UTILITIES	258.00	222.89	35.11
RENT/OCCUPANCY EXPENSES	1,274.00	1,352.37	(78.37)
FOOD	0.00	0.00	0.00
MEDICINES & DRUGS	0.00	0.00	0.00
MEDICAL SUPPLIES	0.00	0.00	0.00
OFFICE SUPPLIES	39.00	132.59	(93.59)
TRANSPORT/TRAVEL	273.00	3.00	270.00
HOUSEKEEPING/	0.00	0.00	0.00
MAINTENANCE/REPAIRS	218.00	322.33	(104.33)
POSTAGE	18.00	4.18	13.82
PRINTING/DUPLICATION	14.00	37.38	(23.38)
STAFF DEVELOPMENT/	79.00	0.00	79.00
TRAINING	0.00	0.00	0.00
CLIENT ACTIVITIES	0.00	0.00	0.00
ADVERTISING	0.00	0.00	0.00
INSURANCE	263.00	193.24	69.76
LEGAL/ACCOUNTING AUDIT	125.00	0.00	125.00
PROFESSIONAL DUES	158.00	140.76	17.24
OTHER	0.00	0.00	0.00
(ATTACH ITEMIZATION)	0.00	0.00	0.00
LICENSE - HMIS	169.00	0.00	169.00
PROGRAM SUPPLIES	72.00	108.50	(36.50)
RENTAL/HOUSING ASSISTAN	38.00	0.00	38.00
SPECIAL PROJECTS	0.00	0.00	0.00
TOTAL DIRECT COSTS	10,533.00	11,189.19	(656.19)
INDIRECT COST	334.00	351.00	(17.00)
TOTAL COSTS	10,867.00	11,540.19	(673.19)

SECTION III. SUMMARY OF RECEIPTS

SOURCE OF FUNDS	ACTUAL RECEIPTS	DPCA ONLY
DHMH	33,438.00	
OTHER STATE		
LOCAL GOVT.		
DIRECT FEDERAL		
FUND RAISING		
UNITED CHARITIES		
INTEREST		
CARRYOVER		
FOOD STAMPS		
OTHER (SPECIFY)		
SMCN PROG SUPPORT	12,878.33	
CLIENT FEES		
PRIVATE PAY		
MEDICAID		
MEDICARE		
INSURANCE		
SSI		
OTHER (SPECIFY)		
TOTAL	46,316.33	

SECTION IV. PERFORMANCE MEASURES

PERFORMANCE MEASURE	BUDGET ESTIMATE	YTD THRU
See attachment		

Preliminary Draft

DHMH 438 (JUNE, 1997)

CORNERSTONE MONTGOMERY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Health and Human Services				
COVID 19 - Demonstration Programs to Improve Community Mental Health Services	93.829	N/A	$ -	$ 1,170,029
Certified Community Behavioral Health Clinic Expansion Grants	93.696	N/A	-	342,863
Total Expenditures of Federal Awards			$ -	$ 1,512,892

Preliminary Draft

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

CORNERSTONE MONTGOMERY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Cornerstone Montgomery, Inc., (the Organization) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, expenses for capitalized assets and prepaid items are recognized when paid. If the schedule were maintained on the accrual basis of accounting, all expenses would be recognized when incurred. The modified cash basis includes accounts payable and accrued expenses as it does on an accrual basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COSTS

The Organization has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Preliminary Draft

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Cornerstone Montgomery, Inc.
Rockville, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Cornerstone Montgomery, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated Report Date.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cornerstone Montgomery, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cornerstone Montgomery, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Cornerstone Montgomery, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Preliminary Draft

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items [list the findings reference numbers, for example 20X1-003 and 20X1-004] that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cornerstone Montgomery, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [list the findings reference numbers, for example, 20X1-001 and 20X1-002].

Cornerstone Montgomery, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Cornerstone Montgomery, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Cornerstone Montgomery, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Arlington, Viriginia
Report Date

Preliminary Draft

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Cornerstone Montgomery, Inc.
Rockville, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cornerstone Montgomery, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Cornerstone Montgomery, Inc.'s major federal program for the year ended June 30, 2023. Cornerstone Montgomery, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cornerstone Montgomery, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative* Requirements*, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cornerstone Montgomery, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cornerstone Montgomery, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cornerstone Montgomery, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cornerstone Montgomery, Inc.'s compliance based on our audit. Reasonable assurance is a

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high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cornerstone Montgomery, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cornerstone Montgomery, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Cornerstone Montgomery, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cornerstone Montgomery, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items [list the reference numbers of the related findings, for example, 20X1-001 and 20X1-002]. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Cornerstone Montgomery, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Cornerstone Montgomery, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance

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requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Arlington, Viriginia
Report Date

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CORNERSTONE MONTGOMERY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 31, 2023

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weaknesses identified? _____ yes ____x____ no
   - Significant deficiencies identified? _____ yes ____x____ none reported
3. Noncompliance material to financial statements noted? _____ yes ____x____ no

Federal Awards

1. Internal control over major federal programs:
   - Material weaknesses identified? _____ yes ____x____ no
   - Significant deficiencies identified? ____x____ yes _____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____x____ yes _____ no

Identification of Major Federal Programs

Assistance Listing Numbers	**Name of Federal Program or Cluster**
93.829	Demonstration Programs to Improve Community Mental Health Services

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? _____ yes ____x____ no

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Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs – Major Federal Programs

2023-001 Reporting

Federal Agency: Department of Health and Human Services

Federal Program Name: COVID 19 - Demonstration Programs to Improve Community Mental Health Services

Federal Award Identification Number and Year: H79SM083348 - 2023

Assistance Listing Number: 93.829

Award Period: February 15, 2021 – February 14, 2023

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matter - Compliance

Criteria: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award requires compliance with the reporting requirements. The Organization should have internal controls designed to ensure compliance with those provisions.

Condition: During our testing, we noted the Organizations internal controls were not sufficient to ensure reports were submitted timely and documentation was maintained to support the details of the reports submitted.

Questioned Costs: None.

Context: We noted Cornerstone Montgomery did not submit timely 2 of 7 relevant reports selected for testing. In addition, there were 5 of 7 reports selected for tested where the evidence of review was not found before submission. Furthermore, for 3 of the 7 reports, we were not able to determine whether the reports were submitted timely as the Organization was not able to provide proof to substantiate timely submission.

Cause: Insufficient internal controls of reporting.

Effect: Inability to determine accuracy and timeliness of reports.

Repeat Finding: 2021-004 and 2022-001

Recommendation: We recommend internal controls over reporting be enhanced to ensure evidence is maintained to support the reports and review performed over the reports.

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Rockville Housing Enterprises

FY27 Community Development Block Grant (CDBG)

Rockville Housing Enterprises

Ms Jessica Anderson
1300 Piccard Drive #203
Rockville, MD 20850

O: 301-424-6265

Dr. James Hedrick

1300 PICCARD DR, STE 202
ROCKVILLE, MD 20850

JHedrick@RockvilleHE.org
O: 301-424-6265 x116
M: 979-777-0804

Application Form

Applicant Information and Request Amount

Project Name*
Legal name of Applicant/Organization

Rockville Housing Enterprises

Federal I.D. Number*
526015084

Type of Organization*
Nonprofit

501(c)(3) Status
If you are a nonprofit organization, upload an Internal Revenue Service letter granting non-profit status 501(c)(3).

04 RHE 501c3 status - clean.pdf

Address*
1300 Piccard Drive, Suite 202, Rockville, MD 20850

Contact Person*
Provide a name and job title.

James Hedrick

Contact Person - Telephone Number*
301-424-6265 x116

Contact Person - E-mail*
jhedrick@rockvillehe.org

Project Title*
Executive Director

Amount of CDBG Funds Requested*
$270,825.00

Amount of Total Project Budget*
$270,825.00

Would you like to collaborate on this application with another person? If yes, follow the instructions below.

Once you have started a request you will see the Collaborate button at the top of the page. This can be used to invite other people to work on this request.

- From the Collaborate pop up, enter the email address of the person you would like to invite,
- Set the Permission you would like the collaborator to have, either View, Edit, or Submit.
- And lastly, include a message and select Invite.

An email will be sent to the collaborator containing your message, their username, and a link to the logon page.

After logging into the system, the collaborator will see this request under the Collaboration Requests tab of their Applicant Dashboard. Here they can select the edit form link and start collaborating on the document. The Collaborator will have access to all forms within the request that have been assigned to the original applicant.

Project Description and Need

Project Description*
Provide a *brief* summary of your project. Describe: WHAT you will do, WHO you will serve, WHY the project is needed, WHERE you will do it, and WHAT activities you will fund with CDBG. *(NOTE: More information is requested later; this space is for a brief overview of your project.)*

We are seeking funding to support the replacement of 17 roofs and the complete gutter systems throughout the David Scull Public Housing community. This property includes 68 townhomes and one apartment building containing eight units, collectively serving 76 households.

The goal of this project is to provide modern, durable roofing and gutter systems to ensure long-term protection for residents. Many of the existing roofs and gutters are outdated and have begun to deteriorate, leading to increased risk of leaks and water damage. Upgrading these systems will enhance the structural integrity of the homes and improve the overall quality of life for residents.

If funding is approved, we will move forward with a full replacement of all identified roofing and gutter systems across the community. This investment will help safeguard the homes of low-income families and preserve a critical affordable housing resource for years to come.

Project Need*

What unmet need(s) will your project address? How did you determine that this need exists? You must provide data that quantifies the need to receive full points for Need in the scoring criteria (e.g., number of units, physical needs assessment data, photographs).

The proposed project will address critical unmet capital improvement needs at the David Scull Public Housing community, specifically the replacement of 17 aging roofs and the gutter systems across 76 housing units (68 townhomes and one 8-unit apartment building). These systems have surpassed their expected useful life and are now contributing to ongoing issues such as roof leaks, water intrusion, and structural deterioration.

Quantified Need:

Total Units Impacted: 76 households

Roof Replacements Needed: 17 individual roofs

Gutter Replacements Needed: 100% of gutters on 76 units (both townhomes and apartment building)

Age of Existing Roofs: Ranging from 20 to 30+ years old

Recommended Roof Lifespan: 15–20 years for asphalt shingle roofing (HUD Physical Needs Assessment Guidelines)

Maintenance Records: Over the past 12 months, maintenance logs show 15 separate work orders related to roof leaks and water damage caused by gutter overflows or failure

Resident Impact: Reports of ongoing water intrusion in 12 units during seasonal rains, confirmed by site inspections

Assessment of Need:

A recent Physical Needs Assessment (PNA) conducted in Q2 of 2025 identified the roofs and gutter systems as Priority 1 (Critical Repairs), noting significant wear and vulnerability to future damage. The report cited multiple areas of shingle loss, soft spots due to water saturation, and clogged or detached gutters. These conditions contribute to:

Interior water damage and mold risks

Increased maintenance costs

Health and safety concerns for residents

Photographic evidence and inspection summaries from the PNA further support the urgent need for replacement. (These documents can be provided upon request or attached as part of the application packet.)

Without intervention, continued roof and gutter deterioration will lead to higher long-term repair costs and potential displacement of families due to uninhabitable conditions.

Project Need Attachments

Please compile attachments (including photos) into one pdf, doc or docx file. *If the attachments exceed the maximum file size, send them to Chuck Dunn, cdunn@rockvillemd.gov.*

Location of Project*

Where will this project be physically located? For projects, provide the address of the project; for programs, state the location from which the program will be operated. *Project activities should take place within the corporate limits of the City of Rockville.*

David Scull Public Housing, 1202 - 1327 First Street, Rockville, MD 20850

Photos of the project will be sent to Chuck Dunn via email.

Location of Project - Historic District*

Will this project be located in one of Rockville's Historic Districts? View the map of Rockville Historic Districts.

No

Service Area*

Is there a primary service area(s) for this project?

Yes

Service Area - Description

If you selected “yes” to the previous question, briefly describe the boundaries of the service area (e.g. by streets, neighborhoods, or census tracts). Answering “no” signifies that services are provided citywide without regard to location.

David Scull Public Housing, 1202 - 1327 First Street, Rockville, MD 20850
The property is located south and west of East Gude Drive, north and west of David Scull Park. It is also located east of Lofstrand Ln and north of Taft St., behind the light industrial areas that front those two roads. A Google Map link here shows the site location and the Community Center:
https://maps.app.goo.gl/u1XGSMyCq1xEwCR27

Service Area - Outside City of Rockville

If some people served come from outside the City of Rockville, please provide a breakdown of Rockville residents versus non-Rockville residents.

N/A

Number Served*

Estimate the total number of people or households who will directly benefit from this project.

76

Number LMI Served*

Estimate the total number of low- and moderate-income people or households who will directly benefit from this project. *See pg. 4 of the **APPLICATION INSTRUCTIONS** for the definition of "low- and moderate-income ("LMI")."*

76

Percentage LMI Served*

What percentage of the total people or households served are expected to be of low- and moderate-income. *See pg. 4 of the **APPLICATION INSTRUCTIONS** for the definition of "low- and moderate-income ("LMI")."*

100

Identify the source of your estimates*

Estimates provided by Golden America Builders LLC.

Recruitment/Referral Process*

Describe how beneficiaries will be recruited or referred to the project or program.

The proposed project will benefit existing residents of the David Scull Public Housing community, which is owned and operated by the local Public Housing Authority (PHA). As such, no additional recruitment or referral process is necessary for identifying project beneficiaries.

Automatic Inclusion: All 76 currently occupied units (68 townhomes and one 8-unit apartment building) are already home to low- to moderate-income (LMI) households, as defined by HUD. These households will automatically benefit from the roofing and gutter improvements as current tenants of the property. All households undergo income verification at move-in and annual recertification to ensure compliance with HUD's LMI requirements.
Residents will be notified in advance of construction schedules.
Since this is a capital improvement project targeting an existing public housing community, the beneficiaries are predetermined, and the PHA's intake and leasing procedures ensure continued service to LMI households only.

Eligibility Process*

Describe how you will determine eligibility for the program and document that at least 70 percent of the housing units are occupied by LMI households or that 70 percent of the program's beneficiaries have low- or moderate-incomes, as defined by HUD.

The David Scull Public Housing community is operated under a public housing program, which means that 100% of the residents meet HUD's definition of Low- or Moderate-Income (LMI) households. Public housing eligibility is based on income limits set annually by HUD, and all applicants must fall below those limits to qualify for tenancy.

Ongoing Compliance: Resident incomes are recertified annually in accordance with HUD regulations to ensure continued eligibility.
Documentation: Income verification includes third-party documentation (e.g., pay stubs, Social Security statements, tax returns) and is stored securely in tenant files, available for audit or review.

HUD Form 50058 data submitted for each household

In summary, this project will exclusively benefit LMI households, with well-documented eligibility and compliance processes already in place as part of public housing operations. This ensures that the project meets or exceeds HUD's threshold for LMI benefit.

Project Goals*

List the specific goals that you hope to achieve through this project; goals should be quantitative and measurable in nature. *The activity should have clearly stated goals and evaluation criteria that are specific, measurable, and realistic.*

Replace 17 Roofs Across the Community

Goal: Complete full roof replacement on 17 buildings by the end of the project timeline.

Measurement: Pre- and post-construction inspections; contractor reports confirming completion.

Target Date: Within 12 months of project start.

Success Criteria: 100% of the 17 roofs replaced and passing final inspection.

Install New Gutter Systems on 76 Housing Units

Goal: Replace all gutters on 68 townhomes and one 8-unit apartment building.

Measurement: Contractor completion reports, photographic documentation, and final inspections.

Target Date: Within 12 months of project start.

Success Criteria: All 76 units equipped with fully functional gutter systems.

Reduce the Number of Roof- and Gutter-Related Work Orders by 90% Within 6 Months of Project Completion

Goal: Significantly reduce maintenance issues related to leaks and water damage.

Measurement: Comparison of maintenance work order logs from 6 months pre-project and 6 months post-project.

Baseline: 27 work orders for roof/gutter-related issues in the past 24 months.

Success Criteria: Fewer than 3 new roof/gutter-related work orders in the 6 months following project completion.

Improve Resident Satisfaction Related to Unit Condition by 25%

Goal: Increase resident satisfaction with housing quality, particularly related to roofing and leaks.

Measurement: Pre- and post-project resident surveys focusing on unit condition.

Baseline: (To be determined through pre-project survey)

Success Criteria: At least a 25% increase in satisfaction scores on survey questions related to leaks, roofing, and water damage.

Ensure 100% of Project Beneficiaries Are Low- to Moderate-Income (LMI) Households

Goal: Maintain compliance with HUD's LMI benefit requirement.

Measurement: Occupancy records and income certifications as verified through HUD Form 50058 and annual reporting.

Success Criteria: All 76 households are LMI-qualified per HUD standards throughout the project duration.

Action Plan

Quarterly Schedule: Any CDBG funds awarded should be fully expended within a 12-month period. *The activity should have a clear plan of action that is consistent with the budget and that demonstrates that the applicant has the capacity to implement the proposed plan.*

Describe the implementation plan for the project by listing a quarterly schedule of key activities / milestones and the corresponding draw down of CDBG funds in the following questions:

First Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

Q1 – Planning & Pre-Construction: Finalize scope, budget, and funding; issue and review RFPs; select contractors; complete site inspections and obtain permits. Conduct planning meetings and inform residents of the project timeline. Deliverables include executed contracts, an approved construction schedule, and a resident communication plan.

Second Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

Q2 – Begin phased roof and gutter replacements (approx. 30% of units). Mobilize crews, perform quality control inspections, and maintain communication with staff and residents. Address any unforeseen issues. Deliverables include completion of Phase I and related inspection reports and punch lists.

Third Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

Q3 – Phase II Construction

Objectives:

Continue and complete the second phase of roof and gutter replacements

Key Activities:

Replace roofs and gutters on next set of buildings (another 30–35%)

Continue quality assurance and contractor oversight

Provide mid-project progress update to leadership and funders

Continue coordination with residents and property staff

Deliverables:

Completion of Phase II
Updated project status reports
Mid-project budget and schedule review

Fourth Quarter - Key Activities*

List key tasks and milestones during the quarter. Write N/A, if no activities are planning during the quarter.

Q4 – Complete final construction (35–40%), conduct inspections, resolve punch list items, and collect resident feedback. Submit final reports, process payments, and close out the project. Deliverables include completion certificate, compliance reports, satisfaction summary, and close-out report. Oversight by Asset Manager (50%) and Maintenance Supervisor (40%) with ongoing progress reports to leadership.

First Quarter - $ Draw Down*

Estimate the draw down of CDBG funds in the quarter.

$67,706.25

Second Quarter - $ Draw Down*

Estimate the draw down of CDBG funds in the quarter.

$67,706.25

Third Quarter - $ Draw Down*

Estimate the draw down of CDBG funds in the quarter.

$67,706.25

Fourth Quarter - $ Draw Down*

Estimate the draw down of CDBG funds in the quarter.

$67,706.25

Budget and Leveraging

Project Budget Form*

1. Download the Budget Form (doc file).
2. Fill out the budget form and save it. Instructions are provided on page 1 of the packet.
3. Upload the completed form using the "upload a file" button below.

CDBG Application Budget_David Scull Roofs and Gutters.doc

Expenditure Details*

Describe in detail types of expenditures CDBG will fund (i.e., labor, materials, etc.).

CDBG funds will be used exclusively for eligible hard costs associated with the capital improvement project at David Scull Public Housing. This includes the removal and replacement of aging and deteriorated roofing systems and gutters across all applicable residential buildings. The scope of expenditures includes:

Procurement of materials (roofing shingles, underlayment, gutters, downspouts, flashing, etc.)

Contractor labor for demolition, installation, and site clean-up

Safety measures and compliance-related work (e.g., scaffolding, fall protection, site containment)

Permitting and inspections required by local authorities

Quality assurance testing and final inspections

These expenditures are necessary to preserve safe, decent, and sanitary housing for low-income residents and align directly with CDBG program goals related to the rehabilitation of affordable housing and the prevention of further deterioration of public housing infrastructure

Cost Estimate Details*

How did you determine the cost estimates included in the CDBG Project Budget Form?

The estimated costs were provided by a vendor, Golden America Builders LLC. We have worked with this builder at this site previously and have confidence in their estimates.

Cost Estimate Details - Attachments

Upload any supporting documents for your cost estimates (including bids, research or past documentation for previous projects).

Golden Buildings America - CDBGCoRFY2027_CombRoof-GutterEstimate.pdf

Davis-Bacon Labor Standards and Wages*

If you propose construction, rehabilitation, or acquisition activities, are the construction estimates incorporated into the project budget inclusive Davis-Bacon Labor Standards and Wages?

Yes

Site Ownership*

If you propose construction, rehabilitation, or acquisition activities, does your organization own the property or site?

Yes

Site Ownership or Lease Agreement

Evidence of site control.

- If yes to the previous question, provide evidence of ownership (deed and property tax records).
- If no to the previous question, provide a copy of the lease agreement and letter from the owner confirming the proposed activities are permitted and acceptable.

Land Use/Zoning*

If you propose construction, rehabilitation, or acquisition activities, does the project require a land use and/or zoning change?

No

Land Use/Zoning - Details

If yes to the previous question, explain below.

Partial Funding*

In the past, the City has often provided partial funding for multiple projects instead of full funding for a few projects so that it could address numerous requests. Please describe, in detail, the specific changes that you will make to your project or scope of services if your project is partially funded.

If RHE is unable to receive all funding requested, the most likely changes will be a delay in completion of the project - to identify other potential funding sources to cover the proposed project (e.g., a state bond bill) - or a reduction in the number of roof repairs completed, with the reduction based on the amount provided.

Prior CDBG Funding*

List any prior CDBG grants received for this project and include the following information:

- Source (Montgomery County or the City of Rockville)
- Year of the grant
- Grant amount
- Description of the activities funded

If your project has not received any CDBG funding, write in N/A.

RHE has been the recipient of several Community Development Block Grants (CDBG) to support critical capital improvement projects:

In Program Year 49, the City of Rockville awarded RHE a CDBG grant in the amount of $72,000 for the replacement of HVAC systems at the David Scull community.

In Fiscal Year 2027, Montgomery County awarded a CDBG grant totaling $728,000 for multiple improvements, including the replacement of siding on all residential units (including the senior building), the replacement of the playground, repaving and striping of all parking lots, and the replacement of the community center roof.

In Fiscal Year 2023, the City of Rockville awarded a CDBG grant in the amount of $105,525.12 for the replacement of the water submetering system.

Below is a list of all CDBG grants received from the City of Rockville since 2012:
City of Rockville 2012 $93,410 Rehabilitation of Kitchens and Baths
City of Rockville 2013 $52,464 Rehabilitation of Kitchens and Baths
City ofRockville 2014 $43,197 Rehabilitation of Kitchens and Baths
City of Rockville 2015 $15,000 Basement/Foundation Repairs and HVAC Installation
City of Rockville 2016 $55,000 Smoke/CO2 Detector Installation
City of Rockville 2017 $50,000 Smoke/CO2 Detector Installation
City of Rockville 2018 $60,000 Hot Water Heater Replacement
City of Rockville 2019 $140,200 Roof Replacements
City of Rockville 2020 $37,200 Roof Replacements
City of Rockville 2021 $60,000 Roof Replacements
City of Rockville 2022 $105,000 Submeters
City of Rockville 2023 $72,000 HVAC replacements

These grant-funded projects are essential in helping RHE maintain safe, efficient, and high-quality affordable housing for the residents of Rockville.

Leveraging*

Have you applied for funding from other sources for this project?

No

Leveraging Details*

- If yes to the previous question, to what entities have you applied? Indicate whether the funding is approved, pending or denied.
- If no to the previous question, why haven't you applied for other funding?

CBDG has been an appropriate and reliable source of funding for RHE infrastructure updates in the past and is the most appropriate funding source for this project. It is a funding source and a funder (both HUD and the City of Rockville) that we are familiar with and confident in using for such large-scale repair work. Additionally, CDBG funds have an appropriate funding scale to allow us to complete many roof repairs as part of a single project, as opposed to using multiple funding sources for several smaller projects to repair the same overall number of units. This allows us to concentrate our administrative and oversight efforts, increasing our efficiency.

Leveraged Funds #1
For approved funds, provide a copy of each commitment or award letter.

Leveraged Funds #2
For approved funds, provide a copy of each commitment or award letter.

Leveraged Funds #3
For approved funds, provide a copy of each commitment or award letter.

Volunteer or In-kind Contributions
If you will use volunteers or in-kind contributions for this project, please explain how:

N/A

Long-term Sustainability*
Explain, in detail, your long-term sustainability plan for this project. If you are proposing rehabilitation or construction activities, describe your long-term operation and maintenance plans for the project, including your plan to keep the housing affordable for LMI households (i.e., source of subsidy). If you are proposing a program, describe your plan for operating this program once CDBG funds are no longer available.

Rockville Housing Enterprises (RHE) is committed to the long-term preservation of its public housing portfolio, including the improvements funded through this CDBG project. Following the roof and gutter replacements at David Scull Public Housing, RHE will implement a comprehensive operation and maintenance plan to protect this investment and ensure continued building integrity.

RHE will conduct quarterly inspections of the property to monitor the condition of the new roofs and gutters. Any issues identified during these inspections will be promptly addressed to prevent deterioration and minimize future repair costs. Maintenance activities will be documented and tracked using RHE's internal work order system, and reviewed by the Asset Management and Maintenance teams.

In addition to regular inspections, RHE uses a Capital Needs Assessment (CNA) and maintains Annual and Five-Year Capital Improvement Plans to guide long-term property investments. These plans ensure that capital needs are identified early and that funding is allocated efficiently to preserve the quality and safety of the housing stock.

To maintain long-term affordability for low- and moderate-income (LMI) households, RHE will continue operating the property under HUD's Public Housing and Project-Based Voucher (PBV) programs. These federal subsidies allow RHE to keep rents affordable and ensure compliance with HUD income eligibility requirements. The public housing designation also provides long-term affordability protections through regulatory oversight.

This approach—combining proactive maintenance, long-term capital planning, and continued federal subsidy—ensures the sustainability of the improvements and protects affordable housing access for current and future residents.

Key Staff and Partnerships

Key Staff Instructions: Provide the name and list of information below for each key staff person who is responsible for carrying out your program's CDBG action plan.

Name - Key Staff #1*

Karshia Farrow-Butler

Project Role - Key Staff #1*

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

Karshia Farrow-Butler has been a valued member of the RHE staff for one year and will serve as the primary point of contact. As Asset Manager, she is responsible for overseeing both the financial and physical components of capital improvement projects. Ms. Farrow-Butler has successfully managed the comprehensive renovation of multiple properties, including upgrades to lobbies, hallways, roof decks, and residential unit interiors. She will dedicate approximately 50% of her time to this project.

Name - Key Staff #2

Jaime Bravo

Project Role - Key Staff #2

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

Jaime Bravo has been a dedicated member of the RHE team for 13 years as the Maintenance Supervisor. He has been a key point of contact for all capital improvement projects across RHE properties and brings an extensive background in maintenance operations. Mr. Bravo's deep knowledge of the property and hands-on experience make him an essential asset to the successful implementation of this project. He will be dedicating approximately 40% of his time to supporting and overseeing this initiative.

Name - Key Staff #3

James Hedrick

Project Role - Key Staff #3

List the following information about the staff member:

- Number of years with the organization
- Percentage of time to be devoted to the project
- Job responsibilities/experience relevant to proposed project

Less than 1 year as Executive Director, 7 years as a member and then Chair of the RHE Board of Commissioners (2017 - 2024).
10%
As Executive Director, Dr. Hedrick will provide oversight over contracting, inspections, payments to contractors, and other matters related to completing the repairs.

Additional Staff

Provide a list of additional staff and their role for this project.

[Unanswered]

Partnerships*

Will you enter into a partnership with any other organization(s) to undertake this project?

No

Partnership Details

If “yes,” please list the organization(s) and its contribution(s).

Experience and Organizational Capacity

Organization's Mission*

Describe your organization’s mission and how the proposed project fits in with your organization’s mission and current activities.

Rockville Housing Enterprises (RHE) is committed to its mission of being an effective and innovative agency dedicated to providing opportunities for self-sufficiency and the creation and preservation of quality, affordable housing for the citizens of the City of Rockville. The comprehensive replacement of roofs across RHE-managed properties directly supports this mission by ensuring the long-term preservation and structural integrity of our affordable housing units. By investing in critical infrastructure improvements, RHE not only enhances the safety, comfort, and energy efficiency of its housing stock but also reinforces its commitment to providing stable, high-quality living environments for low and moderate-income individuals and families. This project is an essential step in maintaining the dignity and sustainability of affordable housing in our community.

Organization's Founding Date*

List the date or year your organization was established.

1955

Number of Full-time Staff*

Number of full-time paid staff in your organization.

21

Number of Part-time Staff*

Number of part-time paid staff in your organization.

4

Organizational Chart*

Provide a copy of your current Organizational Chart.

Copy of RHE Org Chart - 03-24-25.xlsx

New Staff*

Will a consultant(s) or contract staff be hired to help implement the project?

No

Number of NEW Full-time Staff*

Number of new staff who will be hired to work on the project, if funded.

0

Number of NEW Part-time Staff*

Number of new staff who will be hired to work on the project, if funded.

0

New Staff - Details

If “yes,” please explain the services the consultant or contract staff will offer (**NOTE:** If the project is funded, any subcontracts entered into are subject to approval by the City of Rockville Department of Housing and Community Development):

County or City Funding*

Do you currently receive, or are you applying for funding through other County or City agencies?

Yes

County or City Funding - Details

If “yes,” provide information on the activity, the amount, and what agency:

Montgomery County (DCHA): At David Scull Public Housing, planned improvements include the replacement of siding on all townhomes as well as the senior building, the replacement of the community center roof, the renovation of the playground, and the repaving and striping of all parking lots. The total amount provided is $728,000.00.

CDBG (City of Rockville): At David Scull Public Housing, the replacement of HVAC systems—including both interior and exterior units—is budgeted at $94,000.00.

Organization Budget*

Attach a copy of your organization’s annual budget for the current year.

Combined budget - FY26V1.xlsx

Organization Audit*

Attach a copy of the organization’s most recent audit.

01 RHE Audit 2024 - FINAL.pdf

Past Performance*

Have you received CDBG funds for a project of similar activities, size, and complexity in the past? (If no, skip next 3 questions)

Yes

Past Performance - Project Description

If yes to the "past performance" question, which project(s) and what year(s)?

City of Rockville 2019 $140,200 Roof Replacements. City of Rockville 2020 $37,200 Roof Replacements. City of Rockville 2021 $60,000 Roof Replacements.

Past Performance - Project Time

If yes to the "past performance" question, did you expend CDBG funds in a timely manner?

Yes

Past Performance - Project Goals

If yes to the "past performance" question, did you meet performance goals for the project?

Yes

Past Performance - Non-CDBG Projects

If No to the "past performance" question, describe a past project of similar activities, size, and complexity where your organization used local, state, or Federal funding. Describe whether you met expenditure deadlines, performance measures, and compliance requirements, such as Davis Bacon or Section 3.

N/A

Application Certification and Signature

Application Certification*

"I certify that I have reviewed this application and that, to the best of my knowledge and belief, all of the information provided in this application is true."

In lieu of a signature, provide the name and title of an authorized representative.

James Hedrick, Interim Executive Director

File Attachment Summary

Applicant File Uploads

- 04 RHE 501c3 status - clean.pdf
- CDBG Application Budget_David Scull Roofs and Gutters.doc
- Golden Buildings America - CDBGCoRFY2027_CombRoof-GutterEstimate.pdf
- Copy of RHE Org Chart - 03-24-25.xlsx
- Combined budget - FY26V1.xlsx
- 01 RHE Audit 2024 - FINAL.pdf

IRS Department of the Treasury
Internal Revenue Service

OGDEN UT 84201-0038

In reply refer to: 0440123555
June 15, 2011 LTR 858C E0
52-6015084 201012 10
00017670
BODC: TE

ROCKVILLE HOUSING ENTERPRISES
621 SOUTHLAWN LN STE A
ROCKVILLE MD 20850-1456

001819

Taxpayer Identification Number: 52-6015084
Tax Period(s): Dec. 31, 2010

Form: 940

Dear Taxpayer:

We have reviewed your account to determine whether or not you are subject to the federal unemployment tax for the tax period(s) listed above. This letter is to explain our determination.

You are not required to file Form 940 because you have been determined to be an exempt organization under section 501(c)(3) of the Internal Revenue Code; therefore, you are exempt from paying federal unemployment tax. Please destroy any Form 940 returns you may have received. Do not make tax deposits for federal unemployment tax.

We will send you a refund for your payments for the current year. You may request refunds for payments made in previous years by filing a Form 843 claim. You must file a claim for refund within three years from the return due date, or within two years from the date you paid the tax, whichever is later.

If you need forms, schedules or publications to respond to this letter, you can obtain them by visiting the IRS website at www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you have any questions, please call us toll free at 1-800-829-0115.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Keep a copy of this letter for your records.

Telephone Number ( )_____ Hours_____

We apologize for any inconvenience, and thank you for your cooperation.

CDBG Project Budget Form

ORGANIZATION NAME: Rockville Housing Enterprises

PROJECT NAME: David Scull Public Housing, Roof and Gutter Replacment

INSTRUCTIONS

Provide the total budget of the proposed CDBG project, subdivided by activity costs.

Request only the level of CDBG funding needed to carry out the project. The grant request must be sufficient either by itself or included with other proposed funding sources to assure effective administration and completion of the proposed project within the contract period.

List the allocation of CDBG funds among project costs in the Source 1 column and the allocation of other funding sources (as well as the name and amount of the source) in the other columns.

Only complete budget line items that apply to your project. Add additional rows, if needed. If your project has more than four sources, use a second sheet budget sheet.

CDBG Project Budget Form					
Sources					
	Source 1	**Source 2**	**Source 3**	**Source 4**	**Totals**
Name of Source	**CDBG**				
Is the source firmly committed? If yes, must provide award or commitment letter	**X**	☐Yes ☐ No	☐Yes ☐ No	☐Yes ☐ No	
Amount					
Uses					
Personnel	**Source 1: CDBG**	**Source 2:**	**Source 3:**	**Source 4:**	**Total**
[List job title and salary]	No positions funded by CDBG.				
[List job title and salary]					
[List job title and salary – add more lines if needed]					
Fringe Benefits					
Personnel Total					
Construction/ Rehabilitation	**Source 1: CDBG**	**Source 2:**	**Source 3:**	**Source 4:**	**Total**
Acquisition					
Architectural, Planning, and Engineering					
Fees (permits, etc.)					
Professional Services	$270,825.00				$270,825.00
Construction/rehab					
Demolition					
Other					
Other					
Other					
Construction/ Rehab Total	$270,825.00				$270,825.00

Program Operating Costs	Source 1: CDBG	Source 2:	Source 3:	Source 4:	Total
Supplies					
Rent/Lease					
Insurance					
Printing					
Communications (Telephone, internet, etc.)					
Travel					
Other					
Other					
Prog. Operating Total					
Project Total	$270,825.00				$270,825.00

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

PROPOSAL SUBMITTED TO		Jaime Bravo – Management supervisor		DATE	10/02/2025
Phone	(240) 401 8452	Email	jbravo@rockvillehe.org		
Address	1300 Piccard Dr Suite #203	City/County	Rockville	State	MD
Zip Code	20850				

-

Services

The Client engages the Contractor, a registered business specializing in commercial/Residential property maintenance, repair, and construction, to render Gutter service ("Services") for the Client's Residential properties located at [First St, Rockville MD, 20850] ("Properties") which has multiple Gutter issues that require immediate entire replacement.

The Contractor accepts the engagement and agrees to perform the following Services in a timely and professional manner for the following Units:

First St, Rockville MD, 20850

- **1216 – 1218**
- **1220 – 1222**
- **1224 – 1226**
- **1228 – 1230**
- **1232 – 1234**
- **1236 – 1238**
- **1240 – 1242**
- **1244 – 1246**
- **1248 – 1250**
- **1252 – 1254**
- **1256 – 1258**
- **1260 – 1262**
- **1264 – 1266**
- **1268 – 1270**
- **1272 – 1274**
- **1276 – 1278**
- **1280 – 1282**
- **1284 – 1286**
- **1288 – 1290**
- **1292 – 1294**
- **1296 – 1298**
- **1300 – 1302**
- **1304 – 1306**
- **1308 – 1310**
- **1312 – 1314**
- **1316 – 1318**
- **1320 – 1322**
- **1301 – 1303**
- **1305 – 1307**
- **1309 – 1311**
- **1313 – 1315**
- **1317 – 1319**
- **1321 – 1323**
- **1325 – 1327**

Senior Building

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

Seamless Gutters Work Installation

- Remove all the existing Gutters 3,784 LF
- Remove all the existing Downspouts 2 x 3 inches wide 2,900 LF
- Install all new Large square Seamless Gutters 6 inches wide 0.32-gauge thickness 3,784 LF
- Install all new Large square Downspouts 3 x 4 inches wide 2,900 LF
- Use Our Top-of-the-Line Hidden Hanger

After the Job is Completed, we will Provide:

- 10 YRS Labor Workmanship by Golden America Builders LLC.
- Certificate of completion.
- Final Invoice.
- Haul away all resulting trash and debris.

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

Terms and Conditions

- **TERM.**
  This Contract shall be effective for [One (2)] Months, starting on [October 2nd, 2024], and terminating on [December 2nd, 2024]. However, as the time for performance of the Contractor is bound to uncontrollable conditions, the Client shall provide an allowance on the estimated completion date of the Services. The given allowance shall be discussed whenever necessary.

- **QUALITY OF WORK.**
  The Contractor shall perform all the Services in a professional and conscientious manner, ensuring that it is employing the applicable industry methods, safety measures, standards, and processes throughout the roofing project.

- **PAYMENT TERMS.**
  The Client agrees to pay per projects sections. Client agrees to pay by weekly. The amount of job performed in a week that is the responsibility of client to perform the payment.

- **WARRANTIES.**
  The Contractor warrants that it can perform the specified Services according to the industry standards. Similarly, the Client guarantees that it will not abuse or encroach the rights of the Contractor during the course of this Contract.

- **DISPUTE RESOLUTION.**
  In the event of disputes, the Parties agree to settle the issues amicably through meetings and compromise. However, if the dispute continues, the Parties shall ask a third party to mediate the dispute in a fair and equitable position.

- **SEVERABILITY.**
  Any invalidity or unenforceability, in whole or in part, of any term or condition in this Contract, shall not affect the validity of the other provisions and agreements created by Parties.

- **GOVERNING LAW.**
  This Contract shall be governed by and construed under the applicable laws of the State of Maryland where the Property is located.

Signature

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

Payments

Please make your check payable to Golden America Builders LLC

We propose hereby to furnish material and labor complete in accordance with above specification, for the sum of Dollars $83,625.00

Roof Replacement Cost → $83,625.00

Acceptance of Proposal - The above price, specification Authorized

And conditions are satisfactory and are hereby accepted.

Client Signature _____ Date_____
You are authorized to do the work as specified.

Estimator Signature Date

Balance $_____ Date_____ Signature _____ Signature _____
Customer Contractor

Balance $_____ Date_____ Signature _____ Signature _____
Customer Contractor

Paid in full $_____ **Work Complete Date _____**
Contractor

Signature _____Date_____Signature _____
Customer Contractor

We will start on date _____ ***Complete by date _____***

We will not be working in bad weather condition (rain, snow, etc.)

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

Notice of Cancellation

Date: _____

You may cancel this transaction, without any penalty or obligation, within Five businesses days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to do so, then you remain liable for performance of all obligations the contract.

To cancel this transaction, mail or deliver a signed and dates copy of this cancelation notice or any other written notice, or send a telegram, to:

Jaris A. Espana (name of seller) at: 18416 Georgia Avenue Olney MD 20832 (address of seller's place of business)

not later than midnight of _____
(date)

I hereby cancel this transaction.

_____ (date)

_____ (Buyer's signature)

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

Customer Rating Scale

OVERALL PERFORMANCE RATING			
☐ **EXCEPTIONAL** **Work performance exceeds expectations in all areas of responsibility. Remarkable achievement and pacesetting performance.**	☐ **MORE THAN SATISFACTORY** **Work performance exceeds expectations.**	☐ **SATISFACTORY** **Work performance meets expectations.**	☐ **NEEDS IMPROVEMENT** **Work performance does not meet expectations.**
Place an "X" in the box which describes the employee's overall performance rating.			

Customer **Signature**_____ **Date**_____	**Contractor** **Signature**_____ **Date**_____

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

PROPOSAL SUBMITTED TO		Jaime Bravo – Management supervisor		DATE	10/02/2025
Phone	(240) 401 8452	Email	jbravo@rockvillehe.org		
Address	1300 Piccard Dr Suite #203	City/County	Rockville	State	MD
Zip Code	20850				

Services

The Client engages the Contractor, a registered business specializing in commercial/Residential property maintenance, repair, and construction, to render roofing service ("Services") for the Client's Residential properties located at [First St, Rockville MD, 20850] ("Properties") which has multiple roofing issues that require immediate entire replacement.

The Contractor accepts the engagement and agrees to perform the following Services in a timely and professional manner for the following Units:

First St, Rockville MD, 20850

- **1232 – 1234 = 18 SQ**
- **1236 – 1238 = 18 SQ**
- **1240 – 1242 = 18 SQ**
- **1260 – 1262 = 12 SQ**
- **1264 – 1266 = 12 SQ**
- **1268 – 1270 = 12 SQ**
- **1300 – 1302 = 18 SQ**
- **1304 – 1306 = 18 SQ**
- **1308 – 1310 = 18 SQ**
- **1312 – 1314 = 18 SQ**
- **1316 – 1318 = 18 SQ**
- **1320 – 1322 = 18 SQ**
- **1309 – 1311 = 18 SQ**
- **1313 – 1315 = 18 SQ**
- **1317 – 1319 = 18 SQ**
- **1321 – 1323 = 18 SQ**
- **1325 – 1327 = 18 SQ**

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

SCOPE of Work

- Remove the Existing Roofing Shingles 288.00 SQ
- Remove existing felt underlayment 288.00 SQ
- Install New High Performance Synthetic Roofing Felt Underlayment 288.00 SQ
- Install Laminated Composition Architectural Roofing Shingles Owens Corning True definition - Duration Color Slatestone Gray 288.00 SQ ("Lifetime-Limited Warranty")
- Install Pro-Start pre-cut eave/rake starter strip shingles.
- Remove existing Flashing Pipe Jack(s)
- Remove Existing Step Flashing
- Install New Lifetime Flashing Pipe Jack(s)
- Install New Aluminum Step Flashing
- Install New Owens Corning Ridge Vent all away the ridge.
- Install New Owens Corning Ridge Cap Composition Shingles

Code Upgrade (Required

Install New Aluminum Drip Edge along Eaves, Rakes
(Code Upgrade: 1507.2.9.3) Drip Edge
Install new Winter Guard Ice & Water Shield along the Eaves and Valleys
(Code Upgrade: 1507.2.8.2) Ice Barrie

Seamless Gutters Work Installation

- Remove all the existing Gutters
- Install all new Large square Seamless Gutters 6 inches wide 0.32-gauge thickness
- Remove all the existing Downspouts 2 x 3 inches wide
- Install all new Large square Downspouts 3 x 4 inches wide
- Use Our Top-of-the-Line Hidden Hanger

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

Allowances:

- CDX Plywood 50 EA = $5,800.00
- Fascia Board 1" x 6" 250 LF = $3,500.00

After the Job is Completed, we will Provide:

- 10 YRS Labor Workmanship by Golden America Builders LLC.
- Lifetime Manufacturer Warranty – Owens Corning
- Certificate of completion.
- Final Invoice.
- Haul away all resulting trash and debris.

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

Terms and Conditions

- **TERM.**
  This Contract shall be effective for [One (2)] Months, starting on [October 2nd, 2025], and terminating on [December 2nd, 2025]. However, as the time for performance of the Contractor is bound to uncontrollable conditions, the Client shall provide an allowance on the estimated completion date of the Services. The given allowance shall be discussed whenever necessary.

- **QUALITY OF WORK.**
  The Contractor shall perform all the Services in a professional and conscientious manner, ensuring that it is employing the applicable industry methods, safety measures, standards, and processes throughout the roofing project.

- **PAYMENT TERMS.**
  The Client agrees to pay two (2) payments of [Ninety Three Thousand Six-Hundred ($93,600.00)] for all the Services rendered during the given time which riches a total of ($187,200.00).

- **WARRANTIES.**
  The Contractor warrants that it can perform the specified Services according to the industry standards. Similarly, the Client guarantees that it will not abuse or encroach the rights of the Contractor during the course of this Contract.

- **DISPUTE RESOLUTION.**
  In the event of disputes, the Parties agree to settle the issues amicably through meetings and compromise. However, if the dispute continues, the Parties shall ask a third party to mediate the dispute in a fair and equitable position.

- **SEVERABILITY.**
  Any invalidity or unenforceability, in whole or in part, of any term or condition in this Contract, shall not affect the validity of the other provisions and agreements created by Parties.

- **GOVERNING LAW.**
  This Contract shall be governed by and construed under the applicable laws of the State of Maryland where the Property is located.

Signature

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

Payments

Please make your check payable to Golden America Builders LLC

Deposit of: $93,600.00 After having signed this contract.
Balance of: $93,600.00 When the Job is completed and inspected with homeowner.

We propose hereby to furnish material and labor complete in accordance with above specification, for the sum of Dollars $187,200.00

Roof Replacement Cost → $177,900.00
Allowances Costs → $ 9,300.00

Acceptance of Proposal - The above price, specification Authorized

And conditions are satisfactory and are hereby accepted.

Client Signature X_____ Date_____
You are authorized to do the work as specified.

Estimator Signature Date

Balance $_____ **Date**_____ **Signature** _____ **Signature** _____
Customer **Contractor**

Balance $_____ **Date**_____ **Signature** _____ **Signature** _____
Customer **Contractor**

Paid in full $_____ **Work Complete Date** _____
Contractor

Signature _____**Date**_____**Signature** _____
Customer **Contractor**

We will start on date _____ ***Complete by date*** _____

We will not be working in bad weather condition (rain, snow, etc.)

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

Notice of Cancellation

Date: _____

You may cancel this transaction, without any penalty or obligation, within Five businesses days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to do so, then you remain liable for performance of all obligations the contract.

To cancel this transaction, mail or deliver a signed and dates copy of this cancelation notice or any other written notice, or send a telegram, to:

Jaris A. Espana (name of seller) at: 18416 Georgia Avenue Olney MD 20832 (address of seller's place of business)

not later than midnight of _____
(date)

I hereby cancel this transaction.

_____ (date)

_____ (Buyer's signature)

GOLDEN AMERICA BUILDERS LLC

LICENSED & INSURED

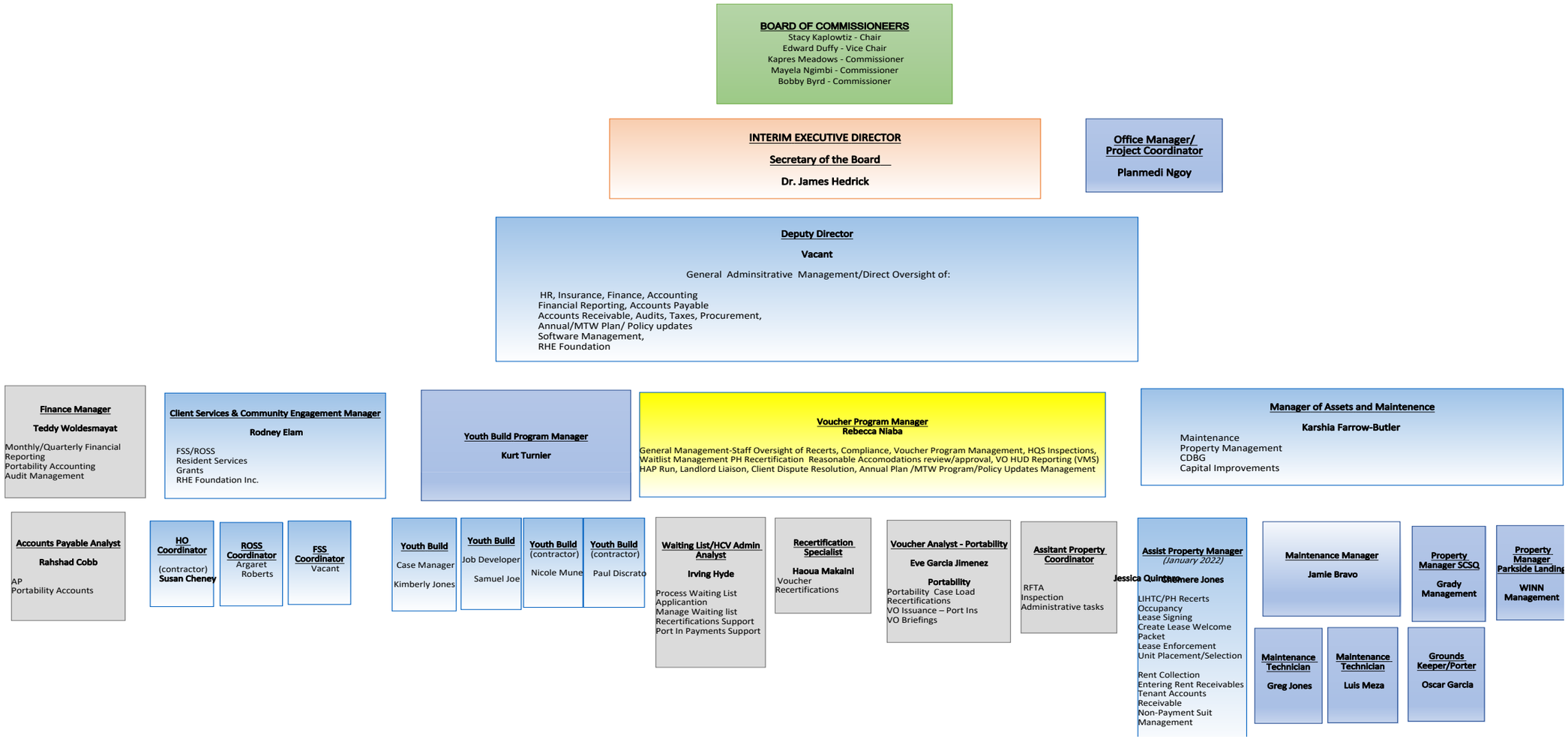
18416 GEORGIA AVE,
OLNEY MD, 20832

JARIS ESPANA
Cell: (240) 447 5959

Customer Rating Scale

OVERALL PERFORMANCE RATING			
☐ **EXCEPTIONAL** **Work performance exceeds expectations in all areas of responsibility. Remarkable achievement and pacesetting performance.**	☐ **MORE THAN SATISFACTORY** **Work performance exceeds expectations.**	☐ **SATISFACTORY** **Work performance meets expectations.**	☐ **NEEDS IMPROVEMENT** **Work performance does not meet expectations.**
Place an "X" in the box which describes the employee's overall performance rating.			

Customer **Signature**_____ **Date**_____	**Contractor** **Signature**_____ **Date**_____


BOARD OF COMMISSIONEERS
Stacy Kaplowtiz - Chair
Edward Duffy - Vice Chair
Kapres Meadows - Commissioner
Mayela Ngimbi - Commissioner
Bobby Byrd - Commissioner
INTERIM EXECUTIVE DIRECTOR
Secretary of the Board
Dr. James Hedrick
Office Manager/ Project Coordinator
Planmedi Ngoy
Deputy Director
Vacant
General Adminsitrative Management/Direct Oversight of:
HR, Insurance, Finance, Accounting
Financial Reporting, Accounts Payable
Accounts Receivable, Audits, Taxes, Procurement,
Annual/MTW Plan/ Policy updates
Software Management,
RHE Foundation
Finance Manager
Teddy Woldesmayat
Monthly/Quarterly Financial Reporting
Portability Accounting
Audit Management
Client Services & Community Engagement Manager
Rodney Elam
FSS/ROSS
Resident Services
Grants
RHE Foundation Inc.
Youth Build Program Manager
Kurt Turnier
Voucher Program Manager
Rebecca Niaba
General Management-Staff Oversight of Recerts, Compliance, Voucher Program Management, HQS Inspections, Waitlist Management PH Recertification Reasonable Accomodations review/approval, VO HUD Reporting (VMS) HAP Run, Landlord Liaison, Client Dispute Resolution, Annual Plan /MTW Program/Policy Updates Management
Manager of Assets and Maintenence
Karshia Farrow-Butler
Maintenance
Property Management
CDBG
Capital Improvements
Accounts Payable Analyst
Rahshad Cobb
AP
Portability Accounts
HO Coordinator
(contractor)
Susan Cheney
ROSS Coordinator
Argaret Roberts
FSS Coordinator
Vacant
Youth Build
Case Manager
Kimberly Jones
Youth Build
Job Developer
Samuel Joe
Youth Build
(contractor)
Nicole Mune
Youth Build
(contractor)
Paul Discrato
Waiting List/HCV Admin Analyst
Irving Hyde
Process Waiting List Applicantion
Manage Waiting list
Recertifications Support
Port In Payments Support
Recertification Specialist
Haoua Makaini
Voucher Recertifications
Voucher Analyst - Portability
Eve Garcia Jimenez
Portability
Portability Case Load
Recertifications
VO Issuance – Port Ins
VO Briefings
Assitant Property Coordinator
RFTA
Inspection
Administrative tasks
Assist Property Manager
(January 2022)
Jessica Quintero
Cashmere Jones
LIHTC/PH Recerts
Occupancy
Lease Signing
Create Lease Welcome Packet
Lease Enforcement
Unit Placement/Selection
Rent Collection
Entering Rent Receivables
Tenant Accounts Receivable
Non-Payment Suit Management
Maintenance Manager
Jamie Bravo
Property Manager SCSQ
Grady Management
Property Manager Parkside Landing
WINN Management
Maintenance Technician
Greg Jones
Maintenance Technician
Luis Meza
Grounds Keeper/Porter
Oscar Garcia

Rockville Housing Enterprises All Program Budget FY 2026

	PH	Voucher	Mainstream	Mod Rehab	RHE Properties	RHE Sc	RELP One	Dev	Total
Revenue & Expenses									
INCOME									
VOUCHER PROGRAM ADMIN FEE INCOME									
Section 8 HAP Earned		7,310,284	893,744	41,191					8,245,219
HAP Reserves	-								
TOTAL HAP INCOME	-	7,310,284	893,744	41,191	-	-	-	-	8,245,219
Section 8 Admin. Fee Income		605,611	58,453	7,846					671,910
Port-In Admin Fees Earned		343,139							343,139
TOTAL ADMIN FEE INCOME	-	*948,750*	*58,453*	*7,846*	-	-	-	-	*1,015,049*
OTHER VOUCHER PROGRAM INCOME									
ROSS FSS		59,866							59,866
TOTAL OTHER VOUCHER PROGRAM INCOME	-	59,866	-	0	-	-	-	-	59,866
TOTAL VOUCHER PROGRAM INCOME		**8,318,901**	**952,197**	**49,037**	**-**	**-**	**-**	**-**	**9,320,134**
Rental Income									
Tenant Rent Received	436,993				38,217	122,595	558,945		1,156,749
Tenant Assistance Payments					11,844	730,162	221,595		963,601
Less: Concessions							-		-
Total Rental Income	*436,993*	-	-	0	50,061	852,757	780,541		2,120,351
Other Tenant Income									
Damages									
Tenant Owed Utilities	21,964								21,964
Misc.Tenant Income	-				1,008	2,195	20,181		23,384
Total Other Tenant Income	*21,964*	-	-	0	1,008	2,195	20,181	-	45,348
TPA/REPAYMENT - Move Out tenants									
NET TENANT INCOME	*458,957*	-	-	0	51,068	854,951	800,722	-	2,165,698

GRANT INCOME									
HUD PHA Operating Grants/Subsidy	571,827								
HUD PHA Operating Subsidy AMP 2 FIRESIDE	-								
Capital Fund Grants 2024	302,743								
Capital Fund Grants 2023	-								
Youth Build Grant Consultant									
Fireside Dev Fee	-								
MTW - HAP Fungibility Funds	270,000								
TOTAL GRANT INCOME	*1,144,570*	-	-	0	-	-	-	-	1,144,570
OTHER INCOME									
Investment Income - Unrestricted									
Management Fee Income RELP-Dev								89,162	89,162
Fireside Development Fee								-	
Maintenance Fee Income- RELP	-							-	-
RELP Asset Management Fee GP								-	-
Miscellaneous Other Income							-		-
FSS Forfeiture									-
Capital Fund 2019									-
ROSS - FSS	77,955								77,955
ROSS - Coordinator	81,300								
CDBG Grant	75,000								75,000
Youth Build Grant	400,000								400,000
State Grant	75,197								75,197
Rad Grant	30,000								30,000
Radon Grant									-
OTHER FEES COLLECTED- FIRESIDE	-								-
RHE Subsidy									
Scarbororough Square Refund	-							-	
Replacement Reserve									-
TOTAL OTHER INCOME	*739,452*	-	-	0	-	-	-	89,162	747,314
TOTAL INCOME	**2,342,979**	**8,318,901**	**952,197**	**49,037**	**51,068**	**854,951**	**800,722**	**89,162**	**13,377,717**
EXPENSES									
HOUSING ASSISTANCE PAYMENTS									
Housing Assistance Payments		6,600,000	770,727	38,530					7,409,257

Tenant Utility Payments-Voucher		35,000	621						35,621
Portable Out HAP Payments		450,000							450,000
FSS Escrow Payments		10,000	-						10,000
TOTAL HOUSING ASSISTANCE PAYMENTS		***7,095,000***	***771,348***	***38,530***	**-**	**-**	**-**	**-**	***7,904,878***
MTW - FUNDING FLEX									
Public Housing Support								-	-
Development Activities									-
MTW Flex Dev Fund Reserve									-
TOTAL MTW Flexlibilites	**-**	**-**	**-**	**0**	**-**	**-**	**-**	**-**	**-**
ADMINISTRATIVE EXPENSES									
Administrative Salaries									
Administrative Salaries	438,910	420,000	35,393			497,522	58,239		1,450,064
Maintenance Salaries	263,493	-				-			263,493
Employee Benefit Contribution-Admin	242,017	65,000				51,674	4,077		362,768
FSS Salaries	58,654	40,000							98,654
FSS Employee Benefits	-								-
ROSS Salaries	70,000								
ROSS Training	5,000								
ROSS Employee Benefits	-								
Employee Benefit (Metro Card)	3,600								
Non employee compensation	15,000					9,600			
Merit Award- Additional Compensation	2,000	2,000							4,000
Total Administrative Salaries	***995,642***	**527,000**	**35,393**	**-**	**-**	**558,795**	**62,317**	**-**	**2,178,979**
Legal Expense									
Criminal Background Checks	1,000	5,000			1,000	500	500		8,000
General Legal Expense	18,000	7,000			-	4,000	8,000		37,000
PH Conversion Legal	8,000					-			8,000
Total Legal Expense	*27,000*	12,000	-	-	1,000	4,500	8,500	-	53,000
Other Admin Expenses									
VO Port Out Admin Fee Paid		31,305	2,128						33,433
PH Conversion Title Work-Title Insurance	15,000								15,000
Staff Training	15,000	15,000				15,000	5,000		50,000
Travel	2,500	-							2,500
Payroll Services						-			-

Auditing Fees - RHE	8,000	18,700		0		15,000	20,000		61,700
Petty Cash						-			-
Marketing/Printing	4,000	3,500				500			8,000
Office Rent	81,011	56,414				74,000	30,377		241,802
Financial-Consultants	10,000	10,000				2,100			22,100
MTW Consultant	15,000	60,000				-			75,000
Other Consultant- Ross HO	5,000								5,000
Other Consultant- FSS	4,000								4,000
Ross/Youth Build Grant Consultant						60,000			
Management Fee						-	85,000		85,000
Asset Management Fee - LP									-
Asset Management Fee - GP							-		-
Asset Management Fee - DCHD							-		-
Utility Allowance Study Study	2,261	2,261				-			4,522
Total Other Admin Expenses	161,772	197,180	2,128	-	-	166,600	140,377	-	668,057
Routine Admin Expenses									
Document Shredding	1,000	3,000				-			4,000
Membership and Fees	2,500	5,000				500			8,000
Advertising	1,000	1,000				-			2,000
Office Supplies	15,000	7,500				5,000			27,500
Computer Parts	4,500	2,000				2,000			8,500
Telephone	1,803	15,114				1,000			17,917
Fuel Administrative									
Postage	1,650	20,000				1,500			23,150
Software Liscense Fees	80,000	40,000				20,000	4,000		144,000
Copiers Rental	12,000	12,000				1,000			25,000
Copiers Expenses	-	1,000				-			1,000
Internet	7,500	1,000				500			9,000
Software		-				-			-
Cell Phones/Pagers	9,400	12,286				500			22,186
Office Furniture	5,000	5,000				-			10,000
New Suite Expenses	-								
Bank Fees	4,000	10,000			2,000	3,000	9,099		28,099
Sponsorships- Scholarship	4,000	-				-			4,000
Youth Build Stipend	14,302					-			14,302
Youth Build Expenses (minus salary)	205,515								
Youth Build RHE assistance	1,000								
REAC/Nspire Inspections	4,518					-			4,518

COVID-19	-					-			-
Total Routine Admin Expenses	*374,688*	134,900	-	-	2,000	35,000	13,099	-	559,687
TOTAL ADMINISTRATIVE EXPENSES	**1,559,102**	**871,081**	**808,869**	**38,530**	**3,000**	**764,895**	**224,292**	**-**	**3,459,723**
TENANT SERVICES									
Resident Services	6,000	3,000				-			9,000
HQS Inspections		12,000							12,000
Move in Inspection		12,000							
TOTAL TENANT SERVICES EXPENSES	***6,000***	**27,000**	-	-	-	-	-	-	21,000
UTILITIES									
Water	65,000					1,000	2,238		68,238
Sewer	65,000					1,000	2,238		68,238
Electricity	80,000					1,000	2,200		83,200
Electricity-Vacant Units	-					1,000	400		1,400
Gas	9,500					1,000	1,500		12,000
Gas-Vacant Units	800					1,000	500		2,300
Garbage/Trash Removal	3,000					1,000			4,000
TOTAL UTILITY EXPENSES	**223,300**	**-**	**-**	**-**	**-**	**7,000**	**9,075**	**-**	**239,375**
MAINTENANCE AND OPERATIONS									
General Maint Expense									
Maintenance Labor-Grounds	1,500					-	11,238		12,738
Maintenace Uniforms	1,000					-			1,000
Maintenance Van	20,000								
Vehicle Gas, Oil, Grease	3,500					-	1,050		4,550
Total General Maint Expense	*26,000*	-	-	-	-	-	12,288	-	38,288
Routine Maintenance									
Exterior Lighting	3,000					-			3,000
Materials									-
Supplies-Grounds	2,000					-			2,000
Supplies-Appliance	15,000				500	1,200	1,500		18,200
Supplies-Electrical	8,000					1,000	500		9,500
Supplies-Janitorial/Cleaning	500					250	500		1,250
Supplies-Maint/Repairs	-					200			200
Supplies-Plumbing	12,000				500	1,000	1,500		15,000

Hardware Supplies	20,000					1,000	1,500		22,500
Painting Supplies	1,000					500	300		1,800
HVAC Supplies	1,000					500			1,500
Total Materials	*62,500*	-	-	0	1,000	5,650	5,800	-	74,950
Contract Costs									
General Contract Costs									
Appliance Purchase- Refrigerator	5,000					2,000	2,000		9,000
Appliance Purchase - Stove	5,000				500	2,000	1,500		9,000
Appliance Purchase - Microwave	1,000				500	500	1,000		3,000
Applicance Purchse Dishwasher	6,065				500	1,000	1,000		8,565
Appliance Purchase- Hot water heater	7,000				1,500	2,500	4,500		15,500
Pool Supplies									
Contract Appliance Repairs	567				600	1,000	1,500		3,667
Appliance Purchase HVAC	-								
Appliance Purchase- Washer Dryer	6,000				500	-	10,759		17,259
Contract-Building Repairs	25,000				1,100	3,000	4,000		33,100
Pool Repair	-								
Pool Operation	-								
Contract- General Cleaning	4,200					1,000	2,500		7,700
Contract- Painting	6,000				550	2,000	1,000		9,550
Contract-Electrical	10,000				500	4,000	1,500		16,000
Contract-Pest Control	30,000				500	2,000	2,000		34,500
Contract-Floor Replacement	15,000				3,000	2,000	8,384		28,384
Contract-Cabinet Replacement	10,000					-	5,000		
Roof Replacement	-						5,000		5,000
Contract-Grounds	2,500					2,500			5,000
Contract- Snow	20,000					5,000			25,000
Contract-Plumbing	20,000				1,500	7,000	12,000		40,500
Contract-Window Covering	1,500					500			2,000
Contract-HVAC/ Repair or Replace	5,000				5,550	10,000	12,000		32,550
Contract-Vehicle Maintenance	8,000					-			8,000
Contract-Equipment Rental	-					-			-
Contract-Alarm Monitoring	5,000					200			5,200
Contract-Sprinkler Monitoring	1,000					-			1,000
Contract- Carpet Turnover/Flooring	-					-	6,000		6,000
Unit Turnover	15,000					5,000	15,000		35,000
Movers/ Evictions	7,000					-			7,000
Appliance Parts							500		

Hotel/ Emergency Maint	-					-			-
Security Camera Repairs	5,000					-			5,000
Contract Cost- Lead Inspection	8,500					3,000			11,500
Contract-Storage	12,000					-	5,760		17,760
Contract- Keys	6,500				55	600	500		7,655
Total Contract Costs	*247,832*	-	-	-	*16,855*	*56,800*	*103,403*	-	*424,890*
									-
CDBG	*94,000*								94,000
Roof Repair - Non CDBG	-								-
State Grant- Community Center	-								-
Rad Conversion	*30,000*								30,000
Radon Grant	-								-
									-
TOTAL MAINTENACE EXPENSES	**460,332**	**-**	**-**	**-**	**17,855**	**62,450**	**121,491**	**-**	**662,128**
GENERAL EXPENSES									
Insurance									-
Property Insurance/Liability	66,000	25,000			6,000	6,500	12,360		115,860
Real Estate Taxes/PILOT	11,809				4,000	6,857	17,267		39,934
Association Fees - HOA					25,000	-	198,896		223,896
Misc. Taxes/Liscenses/Insurance	1,500					5,000	4,538		11,038
Fireside Development/Management Fees	45,000							-	45,000
Fireside Owner Expenses (audit/taxes)	-								-
Scarborough Square Pred Expenses	-								-
TOTAL GENERAL EXPENSES	*124,309*	*25,000*	-	-	*35,000*	*18,357*	*233,061*	-	*435,728*
FINANCING EXPENSE									
Interest Expense-Bond 1							16,837		16,837
Interest Expense-Bond 2							182,037		182,037
Interest Expense-Mortgage Payable					45,429	-	26,895		72,325
Morgtage MIP							18,223		18,223
Montgomery County Loan Interest Payment							-		-
RHE Loan Interest Payment							1,611		1,611
TOTAL FINANCING EXPENSES					45,429	-	245,603		291,033
PH HOUSING ASSISTANCE PAYMENTS									
Tenant Utility Payments-Voucher	36								36

FSS Escrow Payments	-								-
TOTAL PH HOUSING ASSISTANCE PAYMENTS	**36**	-	-	-	-	-	-	-	**36**
TOTAL EXPENSES	**2,373,079**	**8,018,081**	**808,869**	**38,530**	**101,284**	**852,702**	**833,523**	**-**	**13,026,069**
NET INCOME	***(30,101)***	***5,218***	***143,328***	***10,507***	***(50,216)***	***2,249***	***(32,801)***	***89,162***	***137,346***

ROCKVILLE HOUSING ENTERPRISES

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT

Year Ended September 30, 2024

ROCKVILLE HOUSING ENTERPRISES
Year Ended September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Rockville Housing Enterprises
Rockville, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Rockville Housing Enterprises (the Authority) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2024, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of RELP One, LP, a blended component unit, which represents 4%, -16%, and 5%, respectively, of the assets, net position, and revenues of the Authority. Those statements were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of the blended component units were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 - 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedure did not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedule and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule, and Schedule of Expenditures of the Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Bethesda, Maryland
June 25, 2025

Management's Discussion and Analysis

The management of Rockville Housing Enterprises (the "Authority" or "RHE") offers the readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial activities for the year ended September 30, 2024. This discussion and analysis are designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position, and identify individual program issues or concerns. Readers should consider the information presented here in conjunction with the Authority's financial statements to obtain a full understanding of its financial position.

This management's discussion and analysis is presented in accordance with the requirements of the Governmental Accounting Standards Board Statement No. 34 ("GASB 34") to allow the reader to gain an adequate understanding of the Authority's annual operating results and financial position as of September 30, 2024.

Questions concerning the information provided in this discussion or requests for additional information should be addressed to the Authority's Executive Director. at 1300 Piccard Drive, Suite 202, Rockville, Maryland 20850.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by $22,189,442 (net position) as compared to $15,479,806 for the prior fiscal year.
- The Authority's cash and investments balance as of September 30, 2024, was $3,286,572 representing an increase of $331,833 or 11.23% from September 30, 2023.
- The Authority had total revenues of $32,325,082 and total expenses of $25,615,446 for the year ended September 30, 2024.

Overview of the Financial Reports

The following outline describes the integral parts of this financial presentation and is a guideline for understanding its components:

I. Management's Discussion and Analysis (MD&A) - Serves as an introduction to the Authority's basic financial statements.

II. Basic Financial Statements - Authority-wide financial statements and notes to the financial statements

III. Other Supplementary Information

Overview of the Financial Reports (continued)

The financial statements in this report are those of a special purpose governmental entity engaged in a business type activity. The following statements are included:

- Statement of Net Position – presents information about the Authority's assets and liabilities and is similar to a balance sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as "current" (convertible to cash within one year), and "non-current." Increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

- Statement of Revenues, Expenses and Changes in Net Position – reports the Authority's revenues by source and type and its expenses by category to substantiate the change in net position for the fiscal year.

- Statement of Cash Flows – discloses net cash provided by, or used for operating activities, non-capital financing activities, and capital and related financing activities.

Our analysis of the Authority follows with the most important question, "Has the Authority's financial health improved or worsened as a result of the year's activities?" The following analysis of entity-wide net position, revenues, and expenses is provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual method of accounting, which recognizes revenue when earned and expenses when incurred regardless of when cash is received or paid.

Analysis of Authority-wide Net Position (Statement of Net Position)

Rockville Housing Enterprises
Comparative Statement of Net Position

	2024	2023	Total Change	% Change
Cash & investments	$ 3,286,572	$ 2,954,739	$ 331,833	11.23%
Other current assets	885,083	1,257,134	(372,051)	-29.60%
Capital assets	56,042,556	57,456,557	(1,414,001)	-2.46%
Other assets	1,615,787	523,501	1,092,286	100.00%
Other noncurrent assets	910,300	1,337,924	(427,624)	-31.96%
Total Assets	**$ 62,740,298**	**$ 63,529,855**	**$ (789,557)**	**-1.24%**
Current liabilities	$ 973,981	$ 692,543	$ 281,438	40.64%
Noncurrent liabilities	39,576,875	47,357,506	(7,780,631)	-16.43%
Total Liabilities	**40,550,856**	**48,050,049**	**(7,499,193)**	**-15.61%**
Investment in capital assets	16,327,744	10,152,125	6,175,619	60.83%
Restricted	2,068,563	1,322,386	746,177	56.43%
Unrestricted	3,793,135	4,005,295	(212,160)	-5.30%
Total Net Position	**22,189,442**	**15,479,806**	**6,709,636**	**43.34%**
Total Liabilities & Net Position	**$ 62,740,298**	**$ 63,529,855**	**$ (789,557)**	**-1.24%**

Analysis of Authority-wide Net Position (Statement of Net Position)

The decrease in noncurrent liabilities was primarily due to a conversion of Scarborough Square debt to equity.

Analysis of Authority-Wide Revenue and Expenses (Statement of Revenues, Expenses and Change in Net Position)

The following table illustrates changes in revenues and expenses from FY 2023 to FY 2024:

Rockville Housing Enterprises
Comparative Statement of Revenues, Expenses and Changes in Net Position

	2024	2023	Total Change	% Change
Revenue				
Tenant revenue	$ 5,657,335	$ 2,807,253	$ 2,850,082	101.53%
Grant funding	10,012,642	8,742,102	1,270,540	14.53%
Other income	7,465,082	4,971,999	2,493,083	50.14%
Total Revenue	**23,135,059**	**16,521,354**	**6,613,705**	**40.03%**
Expenses				
Administration	3,245,749	2,172,369	1,073,380	49.41%
Tenant services	59,498	52,133	7,365	14.13%
Utilities	492,072	317,272	174,800	55.09%
Maintenance	1,130,716	716,021	414,695	57.92%
General expense	1,225,728	648,004	577,724	89.15%
Housing assistance payments	13,388,375	11,072,320	2,316,055	20.92%
Depreciation	1,730,155	893,925	836,230	93.55%
Total Expenses	**21,272,293**	**15,872,044**	**5,400,249**	**34.02%**
Net operating income (loss)	1,862,766	649,310	1,213,456	186.88%
Nonoperating revenues (expenses)				
Investment income	1,619	1,619	-	0.00%
Interest expense	(3,943,645)	(217,919)	(3,725,726)	1709.68%
Disbributions to investors	(399,508)	-	(399,508)	100.00%
Total net operating income (loss)	**(4,341,534)**	**(216,300)**	**(4,125,234)**	**1907.18%**
Capital contributions	9,188,404	-	9,188,404	100.00%
Change in Net Position	6,709,636	433,010	6,276,626	1449.53%
Beginning Net Position	15,479,806	15,046,796	433,010	2.88%
Ending Net Position	**$ 22,189,442**	**$ 15,479,806**	**$ 6,709,636**	**43.34%**

The federal government continued to fund operating grants at a level below total eligibility for the period ended September 30, 2024. With no signs of improvement in federal funding or economic conditions in the foreseeable future, the Authority is using proactive measures to review staff responsibilities and implementing cost management strategies. The Authority continuously looks for new ways to improve operations, control costs, maximize effectiveness, and demonstrate accountability.

Total expenses increased primarily due to an increase in administrative expenses, maintenance expenses, housing assistance payments, and depreciation expenses.

Capital Assets

Rockville Housing Enterprises
Comparative Statement of Capital Assets

	2024	2023	Total Change	% Change
Land	$ 7,266,739	$ 7,266,739	$ -	0.00%
Buildings & improvements	63,077,206	62,906,290	170,916	0.27%
Right to use asset	372,920	822,004	(449,084)	100.00%
Furniture & equipment	894,896	711,971	182,925	25.69%
Infrastructure	7,093	7,093	-	0.00%
Construction in progress	242,861	-	242,861	100.00%
	71,861,715	71,714,097	147,618	0.21%
Accumulated depreciation	(15,819,159)	(14,257,540)	(1,561,619)	10.95%
Total Capital Assets	**$ 56,042,556**	**$ 57,456,557**	**$ (1,414,001)**	**-2.46%**

Debt Outstanding

As of the year-end, the Authority had outstanding debt of $39,553,709, which was a decrease of $7,842,634 from last year's balance of $47,396,343.

Effective October 1, 2023, Orlo Scarborough Investors, LLC enacted the option to convert $9,000,000 of the $33,000,000 mortgage with Orlo Scarborough Investors, LLC into member equity and assigning Orlo Scarborough Investors, LLC a 49% membership interest.

Economic Factors

Several significant economic factors are present that may impact the Authority in the future.

- Congressional funding of the Department of Housing and Urban Development, including any subsidy proration.
- The expiration of the frozen formula income provision has substantially decreased operating subsidy eligibility.
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.
- Health care and other insurance costs are expected to increase dramatically over the next several years especially due to the Affordable Care Act.

Financial Contact

Questions concerning any of the information provided in this Management's Discussion & Analysis should be addressed to:

Christele Etienbla, Executive Director
Rockville Housing Enterprises
1300 Piccard Drive, Suite 202
Rockville, MD 20850
(301) 424-6265

ROCKVILLE HOUSING ENTERPRISES
STATEMENT OF NET POSITION
September 30, 2024

ASSETS

Current assets		
Cash and cash equivalents, unrestricted	$	964,909
Cash and cash equivalents, restricted		2,321,663
Accounts receivable, net		790,490
Prepaid expenses and other current assets		94,593
Total current assets		4,171,655
Noncurrent assets		
Capital assets		
Land		7,266,739
Buildings and improvements		63,077,206
Right to use asset		372,920
Furniture and equipment		894,896
Infrastructure		7,093
Construction in progress		242,861
Less: Accumulated depreciation		(15,819,159)
Total capital assets		56,042,556
Other assets		1,615,787
Notes receivable, noncurrent		910,300
Total noncurrent assets		58,568,643
TOTAL ASSETS	$	62,740,298

The accompanying notes are an integral part of these financial statements.

ROCKVILLE HOUSING ENTERPRISES
STATEMENT OF NET POSITION
September 30, 2024

LIABILITIES AND NET POSITION

Current liabilities		
Accounts payable	$	55,019
Accrued liabilities		212,308
Accrued compensated absences, current		6,721
Tenant security deposits		147,974
Unearned revenue		103,228
Current portion of long-term debt		142,455
Other current liabilities		306,276
Total current liabilities		973,981
Noncurrent liabilities		
Long-term debt, net of current		39,411,254
Accrued compensated absences, noncurrent		60,495
Other noncurrent liabilities		105,126
Total noncurrent liabilities		39,576,875
Total liabilities		40,550,856
Net position		
Net investment in capital assets		16,327,744
Restricted net position		2,068,563
Unrestricted net position		3,793,135
Total net position		22,189,442
TOTAL LIABILITIES AND NET POSITION	$	62,740,298

The accompanying notes are an integral part of these financial statements.

ROCKVILLE HOUSING ENTERPRISES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year ended September 30, 2024

Operating Revenues		
Dwelling rent	$	5,657,335
Government grants and subsidy		10,012,642
Other operating income		7,465,082
Total operating revenues		23,135,059
Operating Expenses		
Administration		3,245,749
Tenant services		59,498
Utilities		492,072
Maintenance and operations		1,130,716
General expense		1,225,728
Housing assistance payments		13,388,375
Depreciation and amortization		1,730,155
Total operating expenses		21,272,293
Net operating income (loss)		1,862,766
Non-operating revenues (expenses)		
Investment income		1,619
Interest expense		(3,943,645)
Distributions to investors		(399,508)
Total non-operating revenues (expenses)		(4,341,534)
Capital contributions		9,188,404
Change in net position		6,709,636
Net position, beginning of period		15,479,806
Net position, end of period	$	22,189,442

The accompanying notes are an integral part of these financial statements.

ROCKVILLE HOUSING ENTERPRISES
STATEMENT OF CASH FLOWS
Year ended September 30, 2024

Cash flows from operating activities		
Receipts from tenants	$	5,181,144
Proceeds from other governments - operations		9,797,349
Other income receipts		7,914,813
Payments to suppliers		(4,633,072)
Payments for housing assistance		(13,388,375)
Payments to employees		(1,839,794)
Net cash provided (used) by operating activities		3,032,065
Cash flows from capital and related financing activities		
Capital contributions		188,404
Issuance of new debt		1,200,000
Princpal payments on mortgage and notes payable		(945,175)
Interest payments on mortgage and notes payable		(2,533,883)
Purchase of capital assets		(596,702)
Distributions to investors		(399,508)
Net cash provided (used) by capital and related financing activities		(3,086,864)
Cash flows from investing activities		
Proceeds from investments		28,993
Proceeds from notes receivable		385,013
Interest received on notes receivable		1,619
Net cash provided (used) by investing activities		415,625
NET INCREASE (DECREASE) IN CASH		360,826
CASH AND CASH EQUIVALENTS, beginning		2,925,746
CASH AND CASH EQUIVALENTS, ending	$	3,286,572

RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION

Cash and Cash Equivalents - Unrestricted	$	964,909
Cash and Cash Equivalents - Restricted		2,321,663
Cash and Cash Equivalents per Statement of Net Position	$	3,286,572

The accompanying notes are an integral part of these financial statements.

ROCKVILLE HOUSING ENTERPRISES
STATEMENT OF CASH FLOWS
Year ended September 30, 2024

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Conversion of mortgage into membership equity	$ (9,000,000)

Reconciliation of net operating income (loss) to net cash provided (used) by operating activities

Net operating income (loss)	$ 1,862,766

Adjustments to reconcile net operating income (loss) to net cash provided by (used) operating activities:

Depreciation	1,730,155
Forgiveness of homeowner loans	41,000

Changes in operating assets and liabilities

Decrease (increase) in accounts receivable	285,693
Decrease (increase) in prepaid expenses	87,969
Decrease (increase) in other assets	(1,092,286)
Increase (decrease) in accounts payable	7,895
Increase (decrease) in accrued liabilities	2,775
Increase (decrease) in accrued compensated absences	15,205
Increase (decrease) in unearned revenue	(31,736)
Increase (decrease) in other liabilities	122,629
Net cash provided (used) by operating activities	$ 3,032,065

The accompanying notes are an integral part of these financial statements.

NOTE 1. ORGANIZATION

Rockville Housing Enterprises (the Authority or RHE) is a public body and a body corporate and politic organized under the laws of the state of Maryland for the purpose of providing adequate housing for qualified low-income individuals. The Authority is governed by a board of commissioners appointed by the mayor of the city of Rockville, Maryland, subject to approval by the City Council, and has substantial autonomy. Additionally, the Authority has entered annual contribution contracts with the U.S. Department of Housing and Urban Development (HUD) to be the administrator of the housing and housing-related programs described herein.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Rockville Housing Enterprises have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Authority are described below.

A. Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria established by the GASB. Based on these criteria, the following entities are included in the accompanying financial statements as blended component units as of and for the year ended December 31, 2023:

RHE Properties, Inc. - Established by Rockville Housing Enterprises to account for properties purchased and other future non-subsidies properties.

Rockville Housing Enterprises Corporation (RHE Corporation) – A not-for-profit corporation established to be the general partner in RELP One, LP.

RHE Fireside Park, Inc. – A not-for-profit corporation established to be a general partner in FPA, LP.

RELP One, LP - This is a limited partnership formed for the purpose of acquiring Moderately Priced Dwelling Units (MPDU). RHE Corporation is the general partner and the Authority is entitled to its respective share of annual operating income or loss. The Authority had a .01% interest in the entity. Effective December 3, 2021, Transamerica Life Insurance Company assigned its 99.98% ownership interest, rights, and obligations to RHE Corporation as evidenced by an executed Agreement for Purchase and Sale of Partnership Interest dated December 3, 2021. RHE Corporation is wholly owned by RHE.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

RHE Scarborough Square, LLC - This is a limited liability company established under the laws of the State of Maryland for the purpose of acquiring, constructing and operating a 121 unit multi-family project. The property is currently known as Scarborough Square Apartments.

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Authority participates in the following joint ventures:

FPA, LP (a Maryland Limited Partnership) (the Partnership) was formed on July 23, 2018 for the purpose of acquiring, developing, owning and operating 236 total units in 22 multi-family buildings located in Rockville, Maryland, known as Fireside Park Apartments (the Property). The Partnership acquired the Property on June 30, 2020. Upon acquisition, substantial rehabilitation of the Property began. Rehabilitation was completed in 2022. The Partnership has been approved for an allocation of Federal low-income housing tax credits of $1,122,602. Pursuant to the Amended and Restated Agreement of Limited Partnership (the Partnership Agreement) dated June 30, 2020, the Investor Limited Partner is PNC Bank, N.A., a National Banking Association (the Investor Limited Partner) with a 99.99% interest, the Special Limited Partner is Columbia Housing SLP Corporation, an Oregon Corporation (the Special Limited Partner) with a 0.00% interest. General Partners include RHE Fireside Park, Inc., a Maryland Nonstock Corporation (RHE General Partner), and Hampstead Fireside, LLC, a Maryland Limited Liability Company (HGI General Partner), (collectively, the General Partners), with a 0.0049% and 0.0051% interest, respectively.

Financial Accountability - The Authority is responsible for its debts, does not impose a financial burden on the City of Rockville and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

Imposition of Will - The City has no influence over the management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

The Authority operates the following programs under Annual Contributions Contracts:

Low Rent Public Housing Program - The objective of this program is to provide decent safe and sanitary housing and related facilities for eligible low-income families and the elderly.

Capital Fund Program - The objective of this program is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the program.

Housing Choice Voucher Program - This program provides rental assistance to help low- income families afford decent, safe and sanitary rental housing. The Authority provides rental assistance in the form of a Housing Assistance Payment to a landlord on behalf of the tenant.

Public Housing Self-Sufficiency under ROSS - This program promotes the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources to enable participating families to achieve economic independence and housing self-sufficiency.

Youth Build Program - This program is a community-based pre-apprenticeship program that provides job training and educational services for opportunity youth ages 16-24 who left school without a secondary diploma.

Moderate Rehabilitation - This program provides project-based rental assistance for low-income families. The program was repealed in 1991 and no new projects are authorized for development. Assistance is limited to properties previously rehabilitated pursuant to a housing assistance payments (HAP) contract between an owner and a Public Housing Agency (PHA).

Mainstream Vouchers - This program enable families having a person with disabilities to lease affordable private housing of their choice. Mainstream program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

Moving to Work (MTW) – This program allows housing authorities to design and test innovative approaches in assisted housing. The purpose of the Authority's MTW program is to provide incentives to families to become economically self-sufficient, to reduce the Authority's costs and achieve greater cost effectiveness, and to increase housing choice for low-income families.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

Basis of Accounting - The Authority uses the accrual basis of accounting for its proprietary fund. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Basis of Presentation - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on the statement of net position. Proprietary fund equity is segregated into three broad components:

Net investment in capital assets – This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

Restricted net position – This category consists of resources restricted in their use by (1) external groups such as grantors, creditors, or laws and regulations of other governments; or (2) law, through constitutional provisions and enabling legislation.

Unrestricted net position – This category includes all of the remaining resources that do not meet the definition of the other two categories.

The Authority uses the following fund:

Proprietary fund:

Enterprise fund - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided. The Authority accounts for its activity in a single enterprise fund.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Revenue and Expenses

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority's operations include rental related income, interest income and other sources of revenues that are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

D. Budgets

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets that are formally adopted by its Governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

E. Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses in the financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

F. Cash and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased.

Restricted cash includes cash held with financial institutions until grantor restrictions are met to release the funds for their specified use, as well as for debt service payments and refunds of tenant security deposits.

G. Accounts Receivable

All tenant receivables are shown net of an allowance for uncollectible accounts. The allowance for doubtful accounts is established based on periodic aging of receivables. No allowance is established for HUD and other governmental receivables since management believes that these amounts are fully collectible.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Deferred costs and amortization

For the blended component units, in accordance with the accounting standards applicable to their individual financial statements, debt issuance costs, net of accumulated amortization, are reported as a direct reduction from the face amount of the mortgage loans payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

I. Capital Assets and Depreciation

Capital assets are stated at historical cost. Depreciation is calculated using the straight-line method. Donated capital assets are stated at their fair value on the date donated. This includes site acquisition and improvement, structures and equipment. All infrastructure assets were capitalized at the conclusion of development then dedicated to the County for maintenance and repairs. Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the Statement of Net Position. All assets will be capitalized if they have a useful life beyond one year and an original cost greater than $5,000.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings and improvements	10-40 years
Furniture and fixtures	5-10 years
Equipment	3-10 years

J Leases

Lessee – For new or modified contracts, the Authority determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the Authority records a lease asset and lease obligation which is calculated based on the value of the discounted future lease payments over the term of the lease. The Authority is a lessee for a non-cancellable lease of office space. The Authority recognizes a lease liability and right to use asset on the statement of net position. Leases with an initial, non-cancellable term of 12 months or less are not recorded on the statement of net position and expense is recognized as incurred over the lease term. At the commencement of the lease, the Authority measures the lease liability at the present value of payments expected to be made during the lease term and then reduces the liability by the principal portion of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, then amortized on a straight-line basis over a period that is the shorter of the lease term or the useful

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Leases (continued)

life of similar capital assets. Lease payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

K. Compensated Absences

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. The Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. The Authority's policy allows employees to accumulate unused vacation leave up to 240 hours. Sick leave can be accumulated up to 240 hours but not paid upon termination. Vacation and sick pay are recorded as an expense and related liability in the year earned by employees.

L. Impairment of Long-Lived Assets

Prominent events or changes in circumstances affecting capital assets are required to be evaluated to determine whether impairment of a capital asset has occurred. Impaired capital assets that will no longer be used will be reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage generally will be measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written off. No such impairment loss was incurred during the year ended September 30, 2024.

M. Operating Revenue and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position in the non-operating revenue and expense.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Insurance

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should loses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. As of the date of the fieldwork, the Authority had the required coverage in force.

O. New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) pronouncements became effective for the Authority during the year ended September 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of ASB Statement No. 62* will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences* updates the recognition, measurement, and disclosure guidance for compensated absences.

The following pending GASB Pronouncements will be effective for the Authority in future years. The Authority is currently assessing the impact of these Statements:

GASB Statement No. 102, *Certain Risk Disclosures* has the objective of providing financial statement users with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements* makes changes to key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* will provide users of government financial statements with essential information about certain types of capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

NOTE 3. CASH AND CASH EQUIVALENTS

All the deposits of Rockville Housing Enterprises are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names. Rockville Housing Enterprises has no policy regarding custodial credit risk for deposits. However, Rockville Housing Enterprises complies with HUD policies.

At September 30, 2024, the Authority's cash and investments had a carrying amount of $3,286,572 and bank balances of $3,404,011.

The blended component units maintain their cash balances and certain reserves with financial institutions. At times, these balances may exceed the federal insurance limits; however, the blended component units have not experienced any losses with respect to their bank balances in excess of government provided insurance. The blended component units' respective managements believe that no significant concentration of credit risk exists with respect to these balances at December 31, 2023.

Fair value is determined using a hierarchy of inputs for fair value assessments. This hierarchy has three levels:

- Level 1 - Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 - These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 - These are unobservable inputs, such as a property valuation or an appraisal.

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority typically limits its investment portfolio to maturities of 12 months or less.

Credit risk - The Authority has no policy regarding credit risk.

Custodial credit risk - The Authority has no policy on custodial credit risk.

Concentration of credit risk - The Authority places no limit on the amount that it invests in certificates of deposits. The Authority has no policy regarding credit risk.

NOTE 3. CASH AND CASH EQUIVALENTS (CONTINUED)

Restricted Cash and Cash Equivalents

FSS escrow	$	105,126
Tenant security deposits		147,974
Liquidity guarantee - Fireside Park		750,000
Mortgage escrow deposits - RELP One		20,659
Reserve for replacement - RELP One		47,904
Interest escrow deposits - Scarborough Square		1,000,000
Repair reserve - Scarborough Square		250,000
	$	2,321,663

Collateralization

As of September 30, 2024, the following securities were pledged as collateral to secure the deposits of Rockville Housing Enterprises:

Description	Maturity Date	Coupon Rate	Value
FNMA Pool MA1256	11/1/2027	2.50%	$ 175,404
FNMA Pool AK4047	2/1/2027	3.00%	205,859
FHLMC Gold Pool	4/1/2028	2.50%	324,796
FNR 2018-2 BA	2/25/2045	3.00%	842,291
FG C91441	4/1/2032	3.00%	517,647
			$ 2,065,997

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable as of September 30, 2024 consisted of the following:

Due from other PHAs - port ins	$	141,793
Accounts receivable - HUD		25,639
Accounts receivable - other government		114,060
Due from tenants and landlords, net of allowance of $53,521		370,466
Accounts receivable - miscellaneous		119,335
Fraud recoverey, net of allowance of $64,268		291
Accrued interest receivable		18,906
	$	790,490

NOTE 5. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Beginning Balances	Additions	Disposals	Adjustments	Ending Balances
Land	$ 7,266,739	$ -	$ -	$ -	$ 7,266,739
Construction in progress	-	242,861	-	-	242,861
Total capital assets not being depreciated	**7,266,739**	**242,861**	**-**	**-**	**7,509,600**
Buildings and improvements	62,906,290	170,916	-	-	63,077,206
Right to use asset	822,004	-	-	(449,084)	372,920
Furniture and equipment	711,971	182,925	-	-	894,896
Infrastructure	7,093	-	-	-	7,093
Total capital assets being depreciated	**64,447,358**	**353,841**	**-**	**(449,084)**	**64,352,115**
Accumulated depreciation	(14,257,540)	(1,730,155)	-	168,536	(15,819,159)
Enterprise activity capital assets, net	**$ 57,456,557**	**$ (1,133,453)**	**$ -**	**$ (280,548)**	**$ 56,042,556**

NOTE 6. NOTES RECEIVABLE AND OTHER ASSETS

RHE obtained a $250,000 grant from the City of Rockville to assist in financing units for RELP One, LP. RHE then entered into a Note to lend the money to RELP One, LP dated March 19, 2002. The note is due 42 years from the date of the note based on 1% interest after the first two years. Payments shall commence on December 31, 2005. Payments are limited to available cash flow. The balance at September 30, 2024 of this note was $161,103 and has been eliminated in the financial statement presentation as RELP One is a blended component unit.

As a part of the agreement with HUD to demolish the Public Housing units known as Lincoln Terrace, the developer for the Legacy Development is required to make Release Payments as the new units are sold. As a part of the development agreement for Legacy Development, when the buyers purchase property of the Legacy Development, the Authority obtains equity in a second mortgage which is noninterest bearing and not forgivable. The cumulative total of these second mortgage receivables at September 30, 2024, was $910,300.

Other assets primarily consist of funds spent by RHE related to the acquisition of Scarborough Square. As of September 30, 2024, the cumulative total of these costs was $1,615,787.

NOTE 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at September 30, 2024 consisted of the following:

Accrued wages/payroll taxes payable	$	20,623
Accrued interest payable		191,685
Accounts payable - HUD PHA programs		10,438
Accounts payable - vendors		44,581
	$	267,327

NOTE 8. NON-CURRENT LIABILITIES

Non-current liabilities at September 30, 2024 consisted of the following:

	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Long-term debt	$46,631,181	$1,200,000	$(8,604,893)	$39,226,288	$ 91,486
Lease liability	765,162	-	(437,741)	327,421	50,969
Compensated absences	52,011	15,205	-	67,216	6,721
FSS escrows	205,036	-	(99,910)	105,126	-
	$47,653,390	$1,215,205	$(9,142,544)	$39,726,051	$149,176

NOTE 9. LONG-TERM DEBT

On October 25, 2012, RHE Properties purchased a property at 343 Fallsgrove Drive, Rockville, Maryland which was partially funded through a mortgage payable. The mortgage was scheduled to mature on October 25, 2022. The interest rate on the mortgage is a fixed rate of 4.65%. The required monthly payments were $555. Effective November 23, 2021, the maturity date was extended until November 23, 2041 (twenty years from the effective date of the modification). The interest rate was changed to 4.49%, and monthly payments based on a thirty-year amortization are required. Additionally, the lender has the option to call the debt after ten years. The mortgage payable as of December 31, 2023, was $68,745.

NOTE 9. LONG-TERM DEBT (CONTINUED)

On November 30, 2012, RHE Properties obtained a mortgage on a property at 219 Jay Drive, Rockville, Maryland that the Agency had previously purchased for the purposes of obtaining funds to purchase future properties. The mortgage was scheduled to mature on November 30, 2022. The interest rate on the mortgage is a fixed rate of 4.57%. The required monthly payments were $522. Effective November 23, 2021, the maturity date was extended until November 23, 2041 (twenty years from the effective date of the modification). The interest rate was changed to 4.49%, and monthly payments based on a thirty-year amortization are required. Additionally, the lender has the option to call the debt after ten years. The mortgage payable as of December 31, 2023, was $63,272.

On July 15, 2013, RHE Properties obtained a mortgage on a property at 722 Garden View Drive, Rockville, Maryland that the Agency had previously purchased for the purposes of obtaining funds to purchase future properties. The mortgage was scheduled to mature on July 15, 2023. The interest rate on the mortgage is a fixed rate of 5.89%. The required monthly payments were $582. Effective November 23, 2021, the maturity date was extended until November 23, 2041 (twenty years from the effective date of the modification). The interest rate was changed to 4.49%, and monthly payments based on a thirty-year amortization are required. Additionally, the lender has the option to call the debt after ten years. The mortgage payable as of December 31, 2023, was $66,941.

On July 15, 2013, RHE Properties purchased a property at 229 Cork Tree Lane, Rockville, Maryland which was partially funded through a mortgage payable. The mortgage was scheduled to mature on July 15, 2023. The interest rate on the mortgage is a fixed rate of 5.89%. The required monthly payments were $582. Effective November 23, 2021, the maturity date was extended until November 23, 2041 (twenty years from the effective date of the modification). The interest rate was changed to 4.49%, and monthly payments based on a thirty-year amortization are required. Additionally, the lender has the option to call the debt after ten years. The mortgage payable as of December 31, 2023, was $66,854.

Principal and interest requirements for RHE Properties debt are as follows:

December 31:	Principal	Interest	Total
2024	$ 12,347	$ 14,551	$ 26,898
2025	13,088	13,810	26,898
2026	13,830	13,068	26,898
2027	14,615	12,128	26,743
2028	15,411	11,487	26,898
2029 - 2033	91,401	43,092	134,493
2034 - 2038	99,110	14,454	113,564
2039	6,010	181	6,191
	$ 265,812	$122,771	$388,583

NOTE 9. LONG-TERM DEBT (CONTINUED)

RELP One LP entered into a nonrecourse 40-year mortgage note provided through the sale of tax-exempt bonds in the principal amount of $3,900,000 in January 2005. The bonds were credit enhanced through the issuance of HUD risk-sharing mortgage insurance. Interest on the mortgage loan is at a rate of 5.21% per annum, plus a 0.05% mortgage insurance premium. Installments of $19,351 are due monthly until February 1, 2045. Interest incurred for the year ended December 22, 2023 amounted to $162,822, which includes amortization of debt issuance costs of $5,709. At December 31, 2023, accrued interest amounted to $14,638. At December 31, 2023, the principal balance outstanding was $2,974,083. Debt issuance costs, net of accumulated amortization, totaled $88,852 as of December 31, 2023, and are related to the first mortgage. Debt issuance costs on the above note are being amortized using an imputed interest rate of 5.5716%. The liability of the Partnership under the mortgage note is limited to the underlying value of the real estate collateral plus other amounts deposited with the lender.

Aggregate annual maturities of the mortgage note payable over each of the next five years and thereafter are as follows:

December 31:	
2024	$ 79,139
2025	83,362
2026	87,811
2027	92,497
2028	97,432
Thereafter	2,533,842
	$2,974,083

RELP One LP obtained additional financing from Montgomery County in the original amount of $1,500,000. As of December 31, 2023, the remaining balance was $1,397,245. No interest was accrued and no payments were due through July 31, 2004. Thereafter, the note provides for annual installments of principal and interest accruing at a rate of 1.0% per annum. Payments of principal and interest, commencing on August 1, 2005, equal to the lesser of 50% of cash flow from operations after certain priority payments, as defined, or an amount equal to interest, and principal amortized over 40 years until maturity of the note on August 1, 2044. The note is secured by a deed of trust and a regulatory agreement. Interest incurred for the year ended December 31, 2023 amounted to $13,972. During the year ended December 31, 2023, the Partnership made loan payments of $39,916. As of December 31, 2023, accrued interest amounted to $0.

NOTE 9. LONG-TERM DEBT (CONTINUED)

The Mayor and Council of Rockville advanced funds to RELP One LP, amounting to $120,000 to aid in the acquisition of affordable dwelling units. The advances were made under the terms of a note issued by the City in connection with a loan agreement dated March 19, 2002. The note accrues no interest and must be repaid in full on or before June 13, 2043. The note is secured by a mortgage on certain property and an assignment of rents. As of December 31, 2023, the remaining balance was $120,000.

RHE Corporation has provided RELP One LP financing in the amount of $250,000. This note, funded from a grant by the City of Rockville to the General Partner, accrues no interest and requires no payments through December 31, 2004. Thereafter, interest accrues at the rate of 1.0% per annum and annual payments equal to 50% of the net cash flow, as defined, or the amount which would pay interest and amortize the loan principal over 40 years, are due each December 31, commencing in 2005. Any unpaid principal and interest under this note shall be payable in full on December 31, 2044. As of December 31, 2023, the principal balance on the note was $161,103. Interest incurred for the year ended December 31, 2023 was $1,611. As of December 31, 2023, accrued interest amounted to $17,295. During the year ended December 31, 2023, the Partnership did not make any loan payments. The principal balance has been eliminated for financial statement presentation as RELP One is a blended component unit.

RHE Scarborough Square entered into a second nonrecourse note provided through Montgomery County in the principal amount of $11,800,000. Interest on the mortgage loan is at a rate of 1% per annum with a maturity date of December 14, 2027. No interest is being charged on the loan through December 31, 2023. As of December 31, 2023, the outstanding balance was $9,508,000.

RHE Scarborough Square entered into a nonrecourse mortgage note provided by Orlo Scarborough Investors, LLC in the principal amount of $33,000,000 in December 2022. Interest on the mortgage loan is at 8%. This mortgage had a maturity date of December 20, 2023 which has been extended until December 20, 2024. Effective October 1, 2023, Orlo Scarborough Investors, LLC enacted the option to convert $9,000,000 of the $33,000,000 mortgage with Orlo Scarborough Investors, LLC into member equity and assigning Orlo Scarborough Investors, LLC a 49% membership interest. As of December 31, 2023, the outstanding balance was $24,000,000. Interest expense incurred on this mortgage for the year ended December 31, 2023 was $2,467,726.

RHE Scarborough Square entered into a nonrecourse, non-interest bearing, mortgage with the City of Rockville in the amount of $1,200,000. The mortgage has a maturity date of December 14, 2027.

NOTE 9. LONG-TERM DEBT (CONTINUED)

Debt issuance costs totaled $150,000 as of December 31, 2023, and are related to the Montgomery County loan, and are reflected on the balance sheet as net of mortgages payable.

Amortization expense related to the Montgomery County and Orlo loans totaled $1,275,000 for the year ended December 31, 2023.

A summary of changes in long-term debt owed to third parties is as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Current
343 Fallsgrove Drive	$ 71,279	$ -	$ (2,534)	$ 68,745	$ 2,676
219 Jay Drive	66,567	-	(3,295)	63,272	3,441
722 Garden View Way	69,884	-	(2,943)	66,941	3,110
229 Cork Tree Lane	69,808	-	(2,954)	66,854	3,120
RELP - $3.9 Million	3,049,186	-	(75,103)	2,974,083	79,139
RELP - Montgomery County	1,397,245	-	-	1,397,245	-
RELP - City of Rockville	120,000	-	-	120,000	-
Scarborough Square - Montgomery County	10,306,773	-	(798,773)	9,508,000	-
Scarborough Square - Orlo	33,000,000	-	(9,000,000)	24,000,000	-
Scarborough Square - City of Rockville	-	1,200,000	-	1,200,000	-
	48,150,742	1,200,000	(9,885,602)	39,465,140	91,486
Total Unamortized Debt Issuance Costs	(1,519,561)	-	1,280,709	(238,852)	-
Total Long Term Debt	$ 46,631,181	$ 1,200,000	$ (8,604,893)	$ 39,226,288	$ 91,486

RHE Properties also has an unused line of credit in the amount of $1,000,000.

NOTE 10. LEASES

Lessee – Effective August 14, 2020, RHE entered into an agreement to lease 4,596 square feet of office space under a non-cancellable lease. The current term expires October 13, 2030 and the required lease payment at the effective date was $8,000 a month. On August 14 of each subsequent year until expiration, rent escalates 3% from the most recent rent amount. Effective December 1, 2022, an addendum was executed for an additional 2,282 square feet of office space for 24 months for $4,214 per month with the same rent escalation of 3% as the original lease.

Future minimum payments are as follows:

	Principal	Interest	Total
2025	$ 50,969	$ 11,418	$ 62,387
2026	46,194	9,641	55,834
2027	49,447	8,024	57,472
2028	52,863	6,294	59,157
2029	56,447	4,445	60,892
2030	71,501	2,834	74,335
	$ 327,421	$ 42,656	$370,077

NOTE 11. RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claims and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. There were no claims more than commercial coverage during the previous three years.

NOTE 12. PENSION AND PROFIT-SHARING PLANS

A defined contribution retirement plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual accounts are to be determined instead of specifying the amount of benefits the individual is to receive.

The Authority has a profit-sharing plan with John Hancock where eligible employees open separate accounts with the plan's administrator. The Authority contributes 6.5% of the employees' gross salary bi-weekly. The Authority has no liability once the employee is terminated. The Authority's contributions for the year ended September 30, 2024, were $82,415 and covered wages totaled $1,385,245.

NOTE 13. ECONOMIC DEPENDENCY

The PHA Owned Housing Program is economically dependent on annual contributions and grants from HUD. The program operates at a loss prior to receiving the contributions and grants.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Legal

Certain claims, suits, and complaints may arise in the ordinary course of business. In the opinion of the Authority's management, any such matters are adequately covered by insurance.

Grants and contracts

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of September 30, 2024.

Capital fund

The Authority receives capital funding each year for ongoing capital improvements and repairs and maintenance.

NOTE 15. CONDENSED INFORMATION FOR BLENDED COMPONENT UNITS

Condensed combining information for the Authority's blended component units as of, and for the year ended December 31, 2023, is provided below. RHE Corporation and RHE Fireside Park had no material activity and therefore are not included in the accompanying condensed information.

Combining Statement of Net Position Information

	RHE Properties	Scarborough Square	RELP 1, LP	TOTAL
ASSETS				
Current assets	$ 369,652	$ 1,638,735	$ 264,771	$ 2,273,158
Capital assets	12,674,354	39,666,220	2,015,995	54,356,569
Other assets	-	1,093,319	-	1,093,319
Total assets	13,044,006	42,398,274	2,280,766	57,723,046
LIABILITIES				
Current liabilities	49,689	1,378,094	244,575	1,672,358
Noncurrent liabilities	276,818	34,558,000	4,484,440	39,319,258
Total liabilities	326,507	35,936,094	4,729,015	40,991,616
NET POSITION				
Net investment in capital assets	12,408,542	5,108,220	(2,547,584)	14,969,178
Restricted net position	-	1,250,000	20,659	1,270,659
Unrestricted net position	308,957	103,960	78,676	491,593
Total net position	$ 12,717,499	$ 6,462,180	$(2,448,249)	$16,731,430

NOTE 15. CONDENSED INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

Combining Statement of Revenues, Expenses, and Changes in Net Position Information

	RHE Properties	Scarborough Square	RELP 1, LP	TOTAL
REVENUE				
Dwelling rent	$ 1,004,486	$ 2,912,865	$ 871,086	$ 4,788,437
Government grant revenue	-	600,000	-	600,000
Other operating income	3,346	344,855	15,900	364,101
Capital contributions	-	9,000,000	-	9,000,000
Total revenues	1,007,832	12,857,720	886,986	14,752,538
EXPENSES				
Operating expense	811,695	1,589,830	591,658	2,993,183
Depreciation/amortization	262,842	927,488	253,897	1,444,227
Interest expense	7,261	3,742,726	178,405	3,928,392
Distributions to investors	-	399,508	-	399,508
Total expenses	1,081,798	6,659,552	1,023,960	8,765,310
CHANGE IN NET POSITION	(73,966)	6,198,168	(136,974)	5,987,228
BEGINNING NET POSITION	12,791,465	264,012	(2,311,275)	10,744,202
ENDING NET POSITION	$ 12,717,499	$ 6,462,180	$(2,448,249)	$16,731,430

Combining Statement of Cash Flows Information

	RHE Properties	Scarborough Square	RELP 1, LP	TOTAL
Net Cash Provided/ (Used) by				
Operating Activities	$ 89,388	$ 85,839	$ 82,185	$ 257,412
Capital and Related Financing Activities	(52,307)	1,719	(75,103)	(125,691)
Investing Activities	-	(259,506)	-	(259,506)
Net Increase/(Decrease) in Cash	37,081	(171,948)	7,082	(127,785)
Cash and Cash Equivalents - Beginning of Year	64,780	1,686,298	188,006	1,939,084
Cash and Cash Equivalents - End of Year	$ 101,861	$ 1,514,350	$ 195,088	$ 1,811,299

NOTE 16. SUBSEQUENT EVENTS

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Management evaluated the activity of the Authority through June 25, 2025 (the date the financial statements were available to be issued) and determined that there are no material subsequent events requiring disclosure.

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
ENTITY-WIDE BALANCE SHEET SUMMARY
September 30, 2024

		Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	17.274 Youth Build Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate
111	Cash - Unrestricted	$ 63,651	$ 375,089	$ -	$ 37,245	$ -	$ -	$ -	$ 35,692
113	Cash - Other Restricted	38,102	1,318,563	-	1,328	-	-	-	-
114	Cash - Tenant Security Deposits	30,327	117,647	-	-	-	-	-	-
100	Total Cash	132,080	1,811,299	-	38,573	-	-	-	35,692
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	25,639	-	-	-	-	-
124	Accounts Receivable - Other Government	63,601	-	-	-	-	-	50,459	-
125	Accounts Receivable - Miscellaneous	-	119,335	-	-	-	-	-	-
126	Accounts Receivable - Tenants	111,803	67,119	-	20,969	-	-	-	-
126.1	Allowance for Doubtful Accounts -Tenants	(57,190)	-	-	-	-	-	-	-
128	Fraud Recovery	64,559	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	(64,268)	-	-	-	-	-	-	-
129	Accrued Interest Receivable	18,906	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	137,411	186,454	25,639	20,969	-	-	50,459	-
131	Investments - Unrestricted	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	40,472	30,955	-	-	-	-	-	-
144	Inter Program Due From	4,655	-	-	-	-	-	-	-
150	Total Current Assets	314,618	2,028,708	25,639	59,542	-	-	50,459	35,692
161	Land	126,600	7,138,799	-	-	-	-	-	-
162	Buildings	9,249,736	53,827,470	-	-	-	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	332,662	311,067	-	-	-	-	-	-
164	Furniture, Equipment & Machinery - Administration	157,894	47,365	-	-	-	-	-	-
165	Leasehold Improvements	241,894	-	-	-	-	-	-	-
166	Accumulated Depreciation	(8,779,308)	(6,975,225)	-	-	-	-	-	-
167	Construction in Progress	242,861	-	-	-	-	-	-	-
168	Infrastructure	-	7,093	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	1,572,339	54,356,569	-	-	-	-	-	-
171	Notes, Loans and Mortgages Receivable - Non-Current	161,103	-	-	-	-	-	-	-
174	Other Assets	206,624	1,093,319	-	-	-	-		-
180	Total Non-Current Assets	1,940,066	55,449,888	-	-	-	-	-	-
290	**Total Assets**	**$ 2,254,684**	**$ 57,478,596**	**$ 25,639**	**$ 59,542**	**$ -**	**$ -**	**$ 50,459**	**$ 35,692**

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
ENTITY-WIDE BALANCE SHEET SUMMARY
September 30, 2024

		Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	17.274 Youth Build Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate
312	Accounts Payable <= 90 Days	$ -	$ 44,581	$ -	$ -	$ -	$ -	$ -	$ -
321	Accrued Wage/Payroll Taxes Payable	13,530	-	-	838	-	-	-	-
322	Accrued Compensated Absences - Current Portion	2,645	2,595	-	385	-	-	-	-
325	Accrued Interest Payable	-	191,685	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	10,438
341	Tenant Security Deposits	30,327	117,647	-	-	-	-	-	-
342	Unearned Revenue	40,452	62,776	-	-	-	-	-	-
343	Current Portion of L-T Debt - Capital Projects/Mortgage Revenue	33,061	91,486	-	-	-	-	-	-
345	Other Current Liabilities	-	208,374	-	-	-	-	22,653	-
346	Accrued Liabilities - Other	71,413	3,836	-	-	-	-	-	-
347	Inter Program - Due To	281,045	704,928	25,639	-	-	-	27,806	10,544
310	Total Current Liabilities	472,473	1,427,908	25,639	1,223	-	-	50,459	20,982
351	L-T Debt, Net of Current - Capital Projects/Mortgage Revenue	179,320	39,295,905	-	-	-	-	-	-
353	Non-current Liabilities - Other	38,102	-	-	1,328	-	-	-	-
354	Accrued Compensated Absences - Non Current	23,809	23,353	-	3,469	-	-	-	-
350	Total Non-Current Liabilities	241,231	39,319,258	-	4,797	-	-	-	-
300	Total Liabilities	713,704	40,747,166	25,639	6,020	-	-	50,459	20,982
508.4	Net Investment in Capital Assets	1,359,958	14,969,178	-	-	-	-	-	-
511.4	Restricted Net Position	-	1,318,563	-	-	-	-	-	-
512.4	Unrestricted Net Position	181,022	443,689	-	53,522	-	-	-	14,710
513	Total Equity - Net Assets / Position	1,540,980	16,731,430	-	53,522	-	-	-	14,710
600	**Total Liabilities and Equity - Net**	**$ 2,254,684**	**$ 57,478,596**	**$ 25,639**	**$ 59,542**	**$ -**	**$ -**	**$ 50,459**	**$ 35,692**

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
ENTITY-WIDE BALANCE SHEET SUMMARY
September 30, 2024

		14.881 Moving to Work Demonstration Program	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.CFP MTW Demonstration Program for Capital Fund	14.EFA FSS Escrow Forfeiture Account	Business Activities	Subtotal	ELIM	Total
111	Cash - Unrestricted	$ 127,754	$ -	$ -	$ -	$ -	$ 325,478	$ 964,909	$ -	$ 964,909
113	Cash - Other Restricted	65,696	-	-	-	-	750,000	2,173,689	-	2,173,689
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	147,974	-	147,974
100	Total Cash	193,450	-	-	-	-	1,075,478	3,286,572	-	3,286,572
121	Accounts Receivable - PHA Projects	141,793	-	-	-	-	-	141,793	-	141,793
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	25,639	-	25,639
124	Accounts Receivable - Other Government	-	-	-	-	-	-	114,060	-	114,060
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	119,335	-	119,335
126	Accounts Receivable - Tenants	227,765	-	-	-	-	-	427,656	-	427,656
126.1	Allowance for Doubtful Accounts -Tenants	-	-	-	-	-	-	(57,190)	-	(57,190)
128	Fraud Recovery	-	-	-	-	-	-	64,559	-	64,559
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	(64,268)	-	(64,268)
129	Accrued Interest Receivable	-	-	-	-	-	-	18,906	-	18,906
120	Total Receivables, Net of Allowances for Doubtful Accounts	369,558	-	-	-	-	-	790,490	-	790,490
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	15,000	-	-	-	-	8,166	94,593	-	94,593
144	Inter Program Due From	126,726	-	-	-	180,034	738,547	1,049,962	(1,049,962)	-
150	Total Current Assets	704,734	-	-	-	180,034	1,822,191	5,221,617	(1,049,962)	4,171,655
161	Land	1,340	-	-	-	-	-	7,266,739	-	7,266,739
162	Buildings	-	-	-	-	-	-	63,077,206	-	63,077,206
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	643,729	-	643,729
164	Furniture, Equipment & Machinery - Administration	45,908	-	-	-	-	-	251,167	-	251,167
165	Leasehold Improvements	131,026	-	-	-	-	-	372,920	-	372,920
166	Accumulated Depreciation	(64,626)	-	-	-	-	-	(15,819,159)	-	(15,819,159)
167	Construction in Progress	-	-	-	-	-	-	242,861	-	242,861
168	Infrastructure	-	-	-	-	-	-	7,093	-	7,093
160	Total Capital Assets, Net of Accumulated Depreciation	113,648	-	-	-	-	-	56,042,556	-	56,042,556
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	910,300	1,071,403	(161,103)	910,300
174	Other Assets	261,000	-	-	-	-	54,844	1,615,787	-	1,615,787
180	Total Non-Current Assets	374,648	-	-	-	-	965,144	58,729,746	(161,103)	58,568,643
290	**Total Assets**	**$ 1,079,382**	**$ -**	**$ -**	**$ -**	**$ 180,034**	**$ 2,787,335**	**$ 63,951,363**	**$ (1,211,065)**	**$ 62,740,298**

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
ENTITY-WIDE BALANCE SHEET SUMMARY
September 30, 2024

		14.881 Moving to Work Demonstration Program	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.CFP MTW Demonstration Program for Capital Fund	14.EFA FSS Escrow Forfeiture Account	Business Activities	Subtotal	ELIM	Total
312	Accounts Payable <= 90 Days	$ -	$ -	$ -	$ -	$ -	$ -	$ 44,581	$ -	$ 44,581
321	Accrued Wage/Payroll Taxes Payable	6,255	-	-	-	-	-	20,623	-	20,623
322	Accrued Compensated Absences - Current Portion	1,096	-	-	-	-	-	6,721	-	6,721
325	Accrued Interest Payable	-	-	-	-	-	-	191,685	-	191,685
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	10,438	-	10,438
341	Tenant Security Deposits	-	-	-	-	-	-	147,974	-	147,974
342	Unearned Revenue	-	-	-	-	-	-	103,228	-	103,228
343	Current Portion of L-T Debt - Capital Projects/Mortgage Revenue	17,908	-	-	-	-	-	142,455	-	142,455
345	Other Current Liabilities	-	-	-	-	-	-	231,027	-	231,027
346	Accrued Liabilities - Other	-	-	-	-	-	-	75,249	-	75,249
347	Inter Program - Due To	-	-	-	-	-	-	1,049,962	(1,049,962)	-
310	Total Current Liabilities	25,259	-	-	-	-	-	2,023,943	(1,049,962)	973,981
351	L-T Debt, Net of Current - Capital Projects/Mortgage Revenue	97,132	-	-	-	-	-	39,572,357	(161,103)	39,411,254
353	Non-current Liabilities - Other	65,696	-	-	-	-	-	105,126	-	105,126
354	Accrued Compensated Absences - Non Current	9,864	-	-	-	-	-	60,495	-	60,495
350	Total Non-Current Liabilities	172,692	-	-	-	-	-	39,737,978	(161,103)	39,576,875
300	Total Liabilities	197,951	-	-	-		-	41,761,921	(1,211,065)	40,550,856
508.4	Net Investment in Capital Assets	(1,392)	-	-	-	-	-	16,327,744	-	16,327,744
511.4	Restricted Net Position	-	-	-	-	-	750,000	2,068,563	-	2,068,563
512.4	Unrestricted Net Position	882,823	-	-	-	180,034	2,037,335	3,793,135	-	3,793,135
513	Total Equity - Net Assets / Position	881,431	-	-	-	180,034	2,787,335	22,189,442	-	22,189,442
600	**Total Liabilities and Equity - Net**	**$ 1,079,382**	**$ -**	**$ -**	**$ -**	**$ 180,034**	**$ 2,787,335**	**$ 63,951,363**	**$ (1,211,065)**	**$ 62,740,298**

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
Year ended September 30, 2024

		Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	17.274 YouthBuild Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate
70300	Net Tenant Rental Revenue	$ 453,032	$ 4,788,437	$ -	$ -	$ -	$ -	$ -	$ -
70400	Tenant Revenue - Other	51,770	364,096	-	-	-	-	-	-
70500	Total Tenant Revenue	504,802	5,152,533	-	-	-	-	-	-
70600	HUD PHA Operating Grants	-	-	82,595	890,731	1,028,441	79,704	-	44,334
							-	-	
70800	Other Government Grants	208,404	600,000	-	-	-	-	308,099	-
71100	Investment Income - Unrestricted	1,614	5	-	-	-	-	-	-
71500	Other Revenue	106,714	8,600,492	-	-	-	-	-	-
70000	**Total Revenue**	**821,534**	**14,353,030**	**82,595**	**890,731**	**1,028,441**	**79,704**	**308,099**	**44,334**
91100	Administrative Salaries	314,333	516,534	76,615	30,629	-	59,462	164,440	8,544
91200	Auditing Fees	12,118	30,718	-	-	-	-	-	2,000
91300	Management Fee	-	109,237	-	-	-	-	-	-
91400	Advertising and Marketing	2,313	25,755	-	-	-	-	-	-
91500	Employee Benefit contributions - Administrative	240,276	74,270	5,980	-	-	12,698	11,968	-
91600	Office Expenses	250,288	146,558	-	-	-	-	58,798	-
91700	Legal Expense	23,992	12,248	-	-	-	-	7,575	-
91800	Travel	13,010	228	-	-	-	-	-	-
91900	Other	26,674	321,194	-	-	-	-	-	-
91000	Total Operating - Administrative	883,004	1,236,742	82,595	30,629	-	72,160	242,781	10,544
92200	Relocation Costs	8,677	-	-	-	-	-		-
92400	Tenant Services - Other	-	29,446	-	-	-	7,544	-	-
92500	Total Tenant Services	8,677	29,446	-	-	-	7,544		-
93100	Water	131,320	156,222	-	-	-	-	-	-
93200	Electricity	243	23,638	-	-	-	-	-	-
93300	Gas	2,550	178,099	-	-	-	-	-	-
93000	Total Utilities	134,113	357,959	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	241,262	72,721	-	-	-	-	-	-
94200	Ordinary Maintenance and Operations - Materials and Other	98,960	105,979	-	-	-	-	-	-
94300	Ordinary Maintenance and Operations Contracts	155,244	417,327	-	-	-	-	-	-
94000	Total Maintenance	495,466	596,027	-	-	-	-	-	-

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
Year ended September 30, 2024

		Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	17.274 YouthBuild Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate
Expenses (continued):									
96110	Property Insurance	14,027	117,207	-	-	-	-	-	-
96120	Liability Insurance	14,027	99,687	-	-	-	-	-	-
96130	Workmen's Compensation	14,027	3,073	-	-	-	-	-	-
96140	All Other Insurance	3,827	-	-	-	-	-		-
96100	Total insurance Premiums	45,908	219,967	-	-	-	-	-	-
96200	Other General Expenses	60,709	119,491	-	2,162	19,875	-	65,318	-
96210	Compensated Absences	(10,664)	25,947	-	2,293	-	-	-	-
96300	Payments in Lieu of Taxes	10,948	31,981	-	-	-	-	-	-
96400	Bad debt - Tenant Rents	32,175	369,577	-	-	-	-	-	-
96500	Bad debt - Mortgages	-	4	-	-	-	-		-
96600	Bad debt - Other	-	6,043	-	-	-	-		-
96000	Total Other General Expenses	93,168	553,043	-	4,455	19,875	-	65,318	-
96710	Interest of Mortgage (or Bonds) Payable	8,737	2,637,809	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	15,583	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	1,275,000	-	-	-	-		-
96700	Total Interest Expense and Amortization Cost	8,737	3,928,392	-	-	-	-	-	-
96900	**Total Operating Expenses**	**1,669,073**	**6,921,576**	**82,595**	**35,084**	**19,875**	**79,704**	**308,099**	**10,544**
97000	**Excess of Operating Revenue over Operating Expenses**	**(847,539)**	**7,431,454**	**-**	**855,647**	**1,008,566**	**-**	**-**	**33,790**
97100	Extraordinary Maintenance	38,520	-	-	-	-	-	-	-
97300	Housing Assistance Payments	-	-	-	797,597	1,028,441	-	-	35,790
97350	HAP Portability-In	-	-	-	-	-	-	-	-
97400	Depreciation Expense	270,513	1,444,227	-	-	-	-	-	-
90000	**Total Expenses**	**1,978,106**	**8,365,803**	**82,595**	**832,681**	**1,048,316**	**79,704**	**308,099**	**46,334**
10010	Operating Transfer In	796,665	-	-	-	-	-	-	-
10020	Operating Transfer Out	-	-	-	-	-	-	-	-
10093	Transfers between Program and Project - In	-	-	-	-	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	796,665	-	-	-	-	-	-	-
10000	**Excess of Total Revenue Over Total Expenses**	**(359,907)**	**5,987,227**	**-**	**58,050**	**(19,875)**	**-**	**-**	**(2,000)**
11030	**Beginning Net Position**	**1,900,887**	**10,744,203**	**-**	**(4,528)**	**19,875**	**-**	**-**	**16,710**
Ending Net Position		**$ 1,540,980**	**$ 16,731,430**	**$ -**	**$ 53,522**	**$ -**	**$ -**	**$ -**	**$ 14,710**

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
Year ended September 30, 2024

		14.881 Moving to Work Demonstration Program	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.CFP MTW Demonstration Program for Capital Fund	14.EFA FSS Escrow Forfeiture Account	Business Activities	Subtotal	ELIM	Total
70300	Net Tenant Rental Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,241,469	$ -	$ 5,241,469
70400	Tenant Revenue - Other	-	-	-	-	-	-	415,866	-	415,866
70500	Total Tenant Revenue	-	-	-	-	-	-	5,657,335	-	5,657,335
70600	HUD PHA Operating Grants	-	696,809	5,973,669	99,856	-	-	8,896,139	-	8,896,139
70800	Other Government Grants	-	-	-	-	-	-	1,116,503	-	1,116,503
71100	Investment Income - Unrestricted	-	-	-	-	-	-	1,619	-	1,619
71500	Other Revenue	6,230,289	-	-	-	104,389	1,212,094	16,253,978	-	16,253,978
70000	**Total Revenue**	**6,230,289**	**696,809**	**5,973,669**	**99,856**	**104,389**	**1,212,094**	**31,925,574**		**31,925,574**
91100	Administrative Salaries	278,283	-	-	-	-	(1)	1,448,839	-	1,448,839
91200	Auditing Fees	15,000	-	-	-	-	-	59,836	-	59,836
91300	Management Fee	-	-	-	-	-	-	109,237	-	109,237
91400	Advertising and Marketing	1,442	-	-	-	-	-	29,510	-	29,510
91500	Employee Benefit contributions - Administrative	48,539	-	-	-	-	-	393,731	-	393,731
91600	Office Expenses	119,421	-	-	-	-	95,082	670,147	-	670,147
91700	Legal Expense	9,936	-	-	-	-	-	53,751	-	53,751
91800	Travel	9,254	-	-	-	-	-	22,492	-	22,492
91900	Other	110,338	-	-	-	-	-	458,206	-	458,206
91000	Total Operating - Administrative	592,213	-	-	-	-	95,081	3,245,749	-	3,245,749
92200	Relocation Costs	-	-	-	-	-	-	8,677	-	8,677
92400	Tenant Services - Other	13,831	-	-	-	-	-	50,821	-	50,821
92500	Total Tenant Services	13,831	-	-	-	-	-	59,498	-	59,498
93100	Water	-	-	-	-	-	-	287,542	-	287,542
93200	Electricity	-	-	-	-	-	-	23,881	-	23,881
93300	Gas	-	-	-	-	-	-	180,649	-	180,649
93000	Total Utilities	-	-	-	-	-	-	492,072	-	492,072
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	313,983	-	313,983
94200	Ordinary Maintenance and Operations - Materials and Other	-	-	-	-	-	-	204,939	-	204,939
94300	Ordinary Maintenance and Operations Contracts	703	-	-	-	-	-	573,274	-	573,274
94000	Total Maintenance	703	-	-	-	-	-	1,092,196	-	1,092,196

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
Year ended September 30, 2024

		14.881 Moving to Work Demonstration Program	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.CFP MTW Demonstration Program for Capital Fund	14.EFA FSS Escrow Forfeiture Account	Business Activities	Subtotal	ELIM	Total
Expenses (continued):										
96110	Property Insurance	-	-	-	-	-	-	131,234	-	131,234
96120	Liability Insurance	-	-	-	-	-	-	113,714	-	113,714
96130	Workmen's Compensation	-	-	-	-	-	-	17,100	-	17,100
96140	All Other Insurance	5,000	-	-	-	-	-	8,827	-	8,827
96100	Total insurance Premiums	5,000	-	-	-	-	-	270,875	-	270,875
96200	Other General Expenses	28,667	-	-	-	-	151,699	447,921	-	447,921
96210	Compensated Absences	(2,372)	-	-	-	-	-	15,204	-	15,204
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	42,929	-	42,929
96400	Bad debt - Tenant Rents	-	-	-	-	-	-	401,752	-	401,752
96500	Bad debt - Mortgages	-	-	-	-	-	41,000	41,004	-	41,004
96600	Bad debt - Other	-	-	-	-	-	-	6,043	-	6,043
96000	Total Other General Expenses	26,295	-	-	-	-	192,699	954,853	-	954,853
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	2,646,546	-	2,646,546
96720	Interest on Notes Payable (Short and Long Term)	6,516	-	-	-	-	-	22,099	-	22,099
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	1,275,000	-	1,275,000
96700	Total Interest Expense and Amortization Cost	6,516	-	-	-	-	-	3,943,645	-	3,943,645
96900	**Total Operating Expenses**	**644,558**	**-**	**-**	**-**	**-**	**287,780**	**10,058,888**	**-**	**10,058,888**
97000	**Excess of Operating Revenue over Operating Expenses**	**5,585,731**	**696,809**	**5,973,669**	**99,856**	**104,389**	**924,314**	**21,866,686**	**-**	**21,866,686**
97100	Extraordinary Maintenance	-	-	-	-	-	-	38,520	-	38,520
97300	Housing Assistance Payments	5,813,161	-	-	-	-	-	7,674,989	-	7,674,989
97350	HAP Portability-In	5,713,386	-	-	-	-	-	5,713,386	-	5,713,386
97400	Depreciation Expense	15,415	-	-	-	-	-	1,730,155	-	1,730,155
90000	**Total Expenses**	**12,186,520**	**-**	**-**	**-**	**-**	**287,780**	**25,215,938**	**-**	**25,215,938**
10010	Operating Transfer In	5,973,669	-	-	-	-	-	6,770,334	(6,770,334)	-
10020	Operating Transfer Out	-	(696,809)	(5,973,669)	(99,856)	-	-	(6,770,334)	6,770,334	-
10093	Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	5,973,669	(696,809)	(5,973,669)	(99,856)	-	-	-	-	-
10000	**Excess of Total Revenue Over Total Expenses**	**17,438**	**-**	**-**	**-**	**104,389**	**924,314**	**6,709,636**	**-**	**6,709,636**
11030	**Beginning Net Position**	**863,993**	**-**	**-**	**-**	**75,645**	**1,863,021**	15,479,806	**-**	**15,479,806**
Ending Net Position		**$ 881,431**	**$ -**	**$ -**	**$ -**	**$ 180,034**	**$ 2,787,335**	**$ 22,189,442**	**$ -**	**$ 22,189,442**

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - AMPs
September 30, 2024

Account Description	MD007000001	MD007000002	TOTAL
ASSETS:			
CURRENT ASSETS:			
Cash:			
111 Cash - Unrestricted	$ 63,651	$ -	$ 63,651
113 Cash - Other Restricted	38,102	-	38,102
114 Cash - Tenant Security Deposits	30,327	-	30,327
100 Total Cash	132,080	-	132,080
121 Accounts Receivable - PHA Projects	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	-
124 Accounts Receivable - Other Government	63,601	-	-
125 Accounts Receivable - Miscellaneous	-	-	-
126 Accounts Receivable - Tenants	111,803	-	111,803
126.1 Allowance for Doubtful Accounts -Tenants	(57,190)	-	(57,190)
128 Fraud Recovery	64,559	-	64,559
128.1 Allowance for Doubtful Accounts - Fraud	(64,268)	-	(64,268)
129 Accrued Interest Receivable	18,906	-	18,906
120 Total Receivables, Net of Allowances for Doubtful Accounts	137,411	-	73,810
142 Prepaid Expenses and Other Assets	40,472	-	40,472
144 Inter Program Due From	-	4,655	4,655
150 Total Current Assets	309,963	4,655	251,017
161 Land	126,600	-	126,600
162 Buildings	8,975,851	273,885	9,249,736
163 Furniture, Equipment & Machinery - Dwellings	332,662	-	332,662
164 Furniture, Equipment & Machinery - Administration	157,894	-	157,894
165 Leasehold Improvements	241,894	-	241,894
166 Accumulated Depreciation	(8,681,253)	(98,055)	(8,779,308)
167 Construction in Progress	242,861	-	242,861
160 Total Capital Assets, Net of Accumulated Depreciation	1,396,509	175,830	1,572,339
171 Notes, Loans and Mortgages Receivable - Non-Current	161,103	-	161,103
174 Other Assets	206,624	-	206,624
180 Total Non-Current Assets	1,764,236	175,830	1,940,066
290 Total Assets	$ 2,074,199	$ 180,485	$ 2,191,083

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - AMPs
September 30, 2024

Account Description	MD007000001	MD007000002	TOTAL
LIABILITIES AND NET POSITION:			
LIABILITIES:			
321 Accrued Wage/Payroll Taxes Payable	$ 13,530	$ -	$ 13,530
322 Accrued Compensated Absences - Current Portion	2,645	-	2,645
341 Tenant Security Deposits	30,327	-	30,327
342 Unearned Revenue	40,452	-	40,452
343 Current Portion of Long-term Debt - Capital	33,061	-	33,061
346 Accrued Liabilities - Other	71,413	-	71,413
347 Inter Program - Due To	281,045	-	281,045
310 Total Current Liabilities	472,473	-	472,473
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	179,320	-	179,320
353 Non-current Liabilities - Other	38,102	-	38,102
354 Accrued Compensated Absences - Non Current	23,809	-	23,809
350 Total Non-Current Liabilities	241,231	-	241,231
300 Total Liabilities	713,704	-	713,704
508.4 Net Investment in Capital Assets	1,184,128	175,830	1,359,958
512.4 Unrestricted Net Position	176,367	4,655	181,022
513 Total Equity - Net Assets / Position	1,360,495	180,485	1,540,980
600 Total Liabilities and Equity	$ 2,074,199	$ 180,485	$ 2,254,684

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN NET POSITION
ACCOUNTS - AMPs
Year ended September 30, 2024

Account Description	MD007000001	MD007000002	TOTAL
REVENUES:			
70300 Net Tenant Rental Revenue	$ 453,032	$ -	$ 453,032
70400 Tenant Revenue - Other	51,770	-	51,770
70500 Total Tenant Revenue	504,802	-	504,802
70800 Other government grants	208,404	-	208,404
71100 Investment income - unrestricted	1,614	-	1,614
71500 Other revenue	106,714	-	106,714
TOTAL REVENUES	821,534	-	821,534
EXPENSES:			
Administrative			
91100 Administrative Salaries	314,333	-	314,333
91200 Auditing Fees	12,118	-	12,118
91400 Advertising and Marketing	2,313	-	2,313
91500 Employee Benefit contributions - Administrative	240,276	-	240,276
91600 Office Expenses	250,288	-	250,288
91700 Legal Expense	23,992	-	23,992
91800 Travel	13,010	-	13,010
91900 Other	26,674	-	26,674
91000 Total Administrative Expense	883,004	-	883,004
Tenant services			
92200 Relocation costs	8,677	-	8,677
92500 Total Tenant Services	8,677	-	8,677
Utilities			
93100 Water	131,320	-	131,320
93200 Electricity	243	-	243
93300 Gas	2,550	-	2,550
93000 Total Utilities Expense	134,113	-	134,113
Ordinary Maintenance & Operation			
94100 Labor	241,262	-	241,262
94200 Materials	98,960	-	98,960
94300 Contracts	155,244	-	155,244
94000 Total Ordinary Maintenance & Operation	495,466	-	495,466

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN NET POSITION
ACCOUNTS - AMPs
Year ended September 30, 2024

Account Description	MD007000001	MD007000002	TOTAL
EXPENSES (CONTINUED):			
Insurance Premiums			
96110 Property Insurance	14,027	-	14,027
96120 Liability Insurance	14,027	-	14,027
96130 Workmen's Compensation	14,027	-	14,027
96140 All Other Insurance	3,827	-	3,827
96100 Total insurance Premiums	45,908	-	45,908
General Expenses			
96200 Other General Expenses	60,709	-	60,709
96210 Compensated Absences	(10,664)	-	(10,664)
96300 Payments in lieu of taxes	10,948	-	10,948
96400 Bad debt - tenant rents	30,829	1,346	32,175
96000 Total General Expenses	91,822	1,346	93,168
Financial Expenses			
96710 Interest expense - Mortgage Payable	8,737	-	8,737
Total Financial Expenses	8,737	-	8,737
96900 TOTAL OPERATING EXPENSE	1,667,727	1,346	1,669,073
97000 EXCESS OPERATING REVENUE	(846,193)	(1,346)	(847,539)
Other Expenses			
97100 Extraordinary maintenance	38,520	-	38,520
97400 Depreciation Expense	256,819	13,694	270,513
Total Other Expenses	295,339	13,694	309,033
TOTAL EXPENSES	**1,963,066**	**15,040**	**1,978,106**
10010 Operating transfer in	796,665	-	796,665
10093 Transfers between Program & Project - in	-	-	-
10100 Total Other Financing Sources (Uses)	796,665	-	796,665
EXCESS OF REVENUE OVER (UNDER) EXPENSES	**(344,867)**	**(15,040)**	**(359,907)**
11030 Beginning Net Position	1,705,362	195,525	1,900,887
Ending Net Position	$ **1,360,495**	$ **180,485**	$ **1,540,980**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Rockville Housing Enterprises
Rockville, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rockville Housing Enterprises (the Authority) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Rockville Housing Enterprises' basic financial statements, and have issued our report thereon dated June 25, 2025. Our report includes a reference to other auditors who audited the financial statements of RELP One, LP, a blended component unit, as described in our report on the Authority's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the blended component units were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Stand*ards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bethesda, Maryland
June 25, 2025

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Rockville Housing Enterprises
Rockville, Maryland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rockville Housing Enterprises' (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bethesda, Maryland
June 25, 2025

ROCKVILLE HOUSING ENTERPRISES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2024

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development (HUD):			
Moving to Work Demonstration Program	14.881	N/A	$ 6,770,334
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	N/A	1,028,441
Mainstream Vouchers	14.879	N/A	890,731
			1,919,172
Section 8 Project-Based Cluster:			
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	N/A	44,334
Resident Opportunity and Supportive Services	14.870	N/A	79,704
Family Self-Sufficiency Program	14.896	N/A	82,595
Total HUD Federal Expenditures			8,896,139
U.S. Department of the Treasury:			
YouthBuild Program	17.274	N/A	308,099
Total Department of the Treasury Federal Expenditures			308,099
TOTAL FEDERAL EXPENDITURES			$ 9,204,238

ROCKVILLE HOUSING ENTERPRISES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Rockville Housing Enterprises (the Authority) under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

ROCKVILLE HOUSING ENTERPRISES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2024

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of auditor's report issued:	Unmodified
2. Internal control over financial reporting:	
a. Material Weakness(es) identified?	No
b. Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
3. Noncompliance material to financial statements noted?	No

Federal Awards

4. Internal control over major programs:	
a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
5. Type of auditor's report issued on compliance for major programs:	Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No

7. Identification of Major Programs:

Federal Grantor/Program Title	Federal Assistance Listing No.	
U.S. Department of Housing and Urban Development (HUD):		
Moving to Work Demonstration Program	14.881	$ 6,770,334

8. Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
9. Auditee qualified as low-risk auditee?	Yes

ROCKVILLE HOUSING ENTERPRISES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

ROCKVILLE HOUSING ENTERPRISES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended September 30, 2024

The audit for the year ended September 30, 2023, disclosed no findings.

MAYOR AND COUNCIL Meeting Date: December 8, 2025
Agenda Item Type: WORKSESSION
Department: HOUSING AND COMMUNITY DEVELOPMENT
Responsible Staff: JANE LYONS-RAEDER

Subject

Chapter 18 Update (Rental Facilities and Landlord-Tenant Relations)

Department

Housing and Community Development

Recommendation

Staff recommend that the Mayor and Council receive the presentation, discuss, and provide direction on updates to City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations. The feedback received from the Mayor and Council will guide future work sessions and staff's draft of the updated code.

The following feedback is requested from the Mayor and Council to guide next steps. Do you agree with staff's recommendations for:

1. **Alterations to the current code**?

2. **New policies to be added**? These policies include Algorithmic Rent Pricing Ban, Court Costs and Legal Fees, Fee Transparency and Restrictions, Guarantor Requirements, and Repair and Deduct.

Discussion

PURPOSE

The purpose of this work session is to provide the Mayor and Council with an overview of the changes to City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations under consideration by staff. Changes include minor alterations to the current code as well as significant, new city policies. This is the first of two work sessions on Chapter 18. Following the two work sessions, staff will present a draft of the rewritten code, based on Mayor and Council's feedback, for review and approval.

BACKGROUND

In Fall 2024, a comprehensive rewrite of Chapter 18 was identified as a key action in the city's Housing Strategies Work Plan. Research and engagement for the rewrite commenced in Spring 2025. The goals for the rewrite are as follows:

- Provide clarity on existing code elements.
- Consider alignment with surrounding jurisdictions' codes.
- Improve housing stability and opportunities for tenant agency.
- Require greater transparency for tenants.
- Ensure alignment with the state of Maryland law.
- Review local and national best practices.
- Better connect data collection and city goals.

Staff have approached this project by grouping updates into two buckets: 1) alterations to current code and 2) new policies. As such, the following staff report is organized by that manner.

ALTERATIONS TO CURRENT CODE

Staff recommend the following changes to the current code. A copy of the chapter with alterations denoted will be available for full review following the two currently scheduled work sessions. Those changes that are found to be more significant are shared now for feedback and discussion.

1. **Definitions:** Update definitions to improve clarity and be aligned with the Zoning Ordinance Rewrite.

2. **Purposes and Policies:** Enhance purposes and policies in alignment with the established goals of the code rewrite. For example, staff propose adding "To improve housing stability and opportunities for tenant agency" to the underlying purposes and policies of the chapter.

3. **General Clarifications:** Add general clarifications to language and processes, including to the Landlord-Tenant Affairs Commission's processes. For example, clarifying what constitutes as a quorum and adding a Vice Chair position for instances when the Chair is unavailable. Staff find that these and other adjustments would improve the functions of the commission.

4. **Two-Year Lease Terms:** Require a landlord to offer tenants a two-year lease term, rather than one year as it is currently. The option of a two-year lease term would provide additional security for tenants because they would be able to lock-in rental rates and lease terms for a longer time period. This practice would be in alignment with Montgomery County.

5. **Early Lease Terminations:** Add permissible reasons for the tenant to terminate the lease early, with proper notice. This is currently allowed in instances of involuntary change of

employment from the Washington metropolitan area. Staff recommend new reasons as follows:

a. Domestic violence;
b. The unit being deemed unable to be occupied for a certain number of days;
c. The landlord's rental license is revoked for reasons related to the tenant's unit; and
d. The landlord failing to make certain repairs required to correct a violation of applicable law that affects the health and safety of the tenant.

Similarly to involuntary change of employment, these are reasons outside the control of the tenant that may precipitate a desire to terminate a lease early.

6. **Lease Review and Receipt:**
    a. Require landlords to provide prospective tenants with a copy of their proposed lease at least two (2) days prior to the day of its execution, unless the prospective tenant requests a shorter time. This will allow tenants time to review the lease and its contents before committing to its terms. In some instances, the first time the tenants sees the proposed lease may be at the time of signing, when there is pressure to execute the contract as quickly as possible.
    b. Reduce the amount of time the landlord must provide the tenant with an executed copy of the lease from 10 days of its execution to three (3) business days, so that tenants may be assured of their upcoming living situation as soon as reasonably possible.

7. **Renewal Letter:** Require the rental amount included in the approved renewal offer letter to match the rental amount listed on the renewed lease. Staff have encountered several instances where this is not the case, and providing this clarification in code will allow for easier enforcement.

8. **Tenant Organizing:**
    a. Clarify that tenants may form, join, meet, or assist one another independently of property management or ownership. This is to further protect tenants' independence.
    b. Prohibit landlords from charging tenant organizations fees for the use of meeting rooms or common areas. This is to support tenant organizations that may not have the funds to rent meeting spaces.
    c. Allow tenants and tenant organizations to invite guests, including non-resident organizations, onto the premises to conduct activities related to the tenants' concerted activities, unless an individual has been otherwise prohibited from the property. The purpose of this addition would be to ensure that organizations that assist tenants or tenant organizing activities are allowed on the property to provide support.

9. **Non-Electronic Payments:** Require landlords to offer a method for tenants to make payments via non-electronic or web-based methods without being charged any additional fees. Some residents may not have access to the internet and should not be penalized as such.

10. **Rental Payment History:** Tenants shall be able to request and receive their entire rental payment history. Staff have encountered instances where this is not provided by the landlord.

11. **Notice Requirements:** For all notices required by law, the landlord must provide the notice to the tenant in a hardcopy, written format rather than provided exclusively electronically. Not all tenants have regular access to the internet and may miss certain notices if not provided physically rather than digitally.

12. **Rental Inspection Frequency:** Remove the requirement to inspect single-family dwellings when the tenant changes because these properties are already inspected during rental license renewal every two years.

13. **Data Collection, Reporting, and Posting Requirements:** Changes as discussed during the June 16, 2025 Mayor and Council work session on data collection, reporting, and posting requirements:
    a. *Lease Collection:* Require landlords to submit standard leases, but not individual leases for each tenancy, to the city. These will be collected at the time of rental license renewal.
    b. *Applicability:* Apply mandatory reporting requirements to all apartment complexes which contain eight or more units. There would be no more exemption for complexes owned by non-profits.
    c. *Notice of Requirements of Rent Increases:* Remove the requirement for landlords to provide the Director of the Department of Housing and Community Development (DHCD) with rent increase information for individual units. The department would be able to receive the information necessary to monitor general rent increase trends by collecting other data. Landlords would still be required to provide rent increase notice and information to the applicable tenant, even if they are not reporting it to DHCD.
    d. *Mandatory Reporting Requirements:* Alter the mandatory reporting requirements to include the data listed below.
        i. A copy of the standard lease;
        ii. Information of the owner of the property, including the entity's name, mailing address, office address (if applicable), and phone number;
        iii. The location of the rental facility;
        iv. The type of structure;
        v. The year the structure was built;
        vi. The total number of units in the structure;
        vii. The availability of amenities;

viii. The utilities included in rent;
ix. A schedule of possible fees charged in addition to monthly rent charges;
x. Individual unit information, including unit number, number of bedrooms, square footage, current or in the case of vacant units most recent monthly rent, and whether or not the unit has any restrictions on its rent increases.

e. *Reporting Frequency:* Change the reporting frequency from monthly to annual at the time of rental license renewal and collect the data through the regular rental license process.
f. *Record Holding Requirement:* Allow the DHCD to request records on the landlord's actual monthly utility costs including gas, electric, heating, fuel, trash removal, water and sewer, and any other expense which is passed onto tenants in the form of a one-time or recurring fee. This allows the department to check whether tenants are being overcharged.

NEW POLICIES

Below are only some of the new policies that staff recommend incorporating into Chapter 18. Additional new policies will be presented at the second work session. These are anticipated to include: Background Check Restrictions, Relocation Assistance, and Requirements for Properties with Many Code Violations.

Algorithmic Rent Pricing Ban

Background

Rental pricing algorithms use extensive market data to predict and recommend rents that will maximize profit. While this may increase efficiency in the rental market, some argue that this can also facilitate price coordination and erode market competition. The most prevalent algorithmic rent pricing software is distributed by the company RealPage, whose clients comprise nearly 90% of the U.S. market for multifamily rental housing with 50 units or more.[1] The White House Council of Economic Advisors estimates that one in four multifamily housing providers use a RealPage pricing algorithm.[2]

In 2024, the U.S. Department of Justice (DOJ), with eight State Attorneys General, filed an antitrust lawsuit against RealPage for its alleged monopolization of the market for software that landlords use to price apartments and for thus decreasing competition among landlords.[3] This was supported by research from the White House detailing the impact of rental housing price algorithms on the cost of rent, finding that they add an average of $70 per month to the cost of rent, though the estimate is much higher at $112 per month in Washington, D.C. metro area.[4]

[1] https://localprogress.org/issues/housing/algorithmic-rental-price-fixing/
[2] https://nlihc.org/resource/white-house-council-economic-advisors-releases-analysis-costs-pricing-algorithms-rental
[3] https://bidenwhitehouse.archives.gov/cea/written-materials/2024/12/17/the-cost-of-anticompetitive-pricing-algorithms-in-rental-housing/
[4] https://bidenwhitehouse.archives.gov/cea/written-materials/2024/12/17/the-cost-of-anticompetitive-pricing-algorithms-in-rental-housing/

This came after an initial lawsuit from the District of Columbia attorney general in 2023 and was followed by several other lawsuits from state attorney generals and private renters against RealPage and property management companies who use algorithmic price setting software.[5]

Eight multi-family properties in the City of Rockville have been identified as being managed by companies named in the U.S. DOJ lawsuit. Together, this represents nearly 2,000 market-rate apartments in Rockville – meaning there are nearly 2,000 families who may be paying higher rents than needed due to this sharing of non-public competitor data and algorithms that have an unfair impact on renters.

Many of the lawsuits have begun to settle. As of October 2025, 27 property management companies submitted preliminary class action settlements totaling more than $141 million.[6] This does not include the lawsuit from the U.S. DOJ. However, in August 2025, the U.S. Justice Department "filed a proposed settlement to resolve claims against apartment manager Greystar," which would, among other conditions, require the company to "refrain from using any anticompetitive algorithm that generates pricing recommendations using its competitors' data."[7]

These lawsuits jumpstarted a national conversation. In response, the states of New York and California and eleven cities have banned algorithmic rent pricing. More legislation is under consideration throughout the country, including the Preventing Algorithmic Collusion Act, introduced to the U.S. Senate by Senate Amy Klobuchar in February 2025.

Enacting similar legislation was brought up by the Mayor and Council as a possible topic for the Chapter 18 rewrite at previous meetings. Additionally, in the 2025 legislative session of the Maryland General Assembly, the Mayor and Council of Rockville testified in support of Senate Bill 609, which would have which would have prohibited a landlord from using certain algorithmic software that leverages non-public competitor data to set residential rents. Neither SB 609 nor the House version made it past committee.

RealPage sued Berkeley, California in response to the city's ban on algorithmic rent pricing technology on grounds that it violates First Amendment free speech rights. Berkeley's ordinance went further than other similar ordinances "by banning any rent-setting algorithm regardless of whether it uses nonpublic information like competitors' rates."[8] The ban was

[5] https://www.reuters.com/legal/litigation/dc-attorney-general-inks-first-settlement-realpage-price-fixing-lawsuit-2025-06-02/
[6] https://www.reuters.com/legal/government/greystar-agrees-50-million-settlement-realpage-rental-pricing-lawsuit-2025-10-02/
[7] https://www.reuters.com/legal/litigation/us-proposes-settlement-with-greystar-end-alleged-rental-price-collusion-2025-08-08/
[8] https://sfstandard.com/2025/07/09/realpage-software-ban-san-francisco-bay-area/

scheduled to go into effect in April 2025 but was postponed until March 2026 due to the pending litigation, which has also since been paused by the court.[9]

Recommendation
Given the unsure outcomes of the various lawsuits against algorithmic rent pricing, staff recommends moving forward an ordinance to ban the practice in the City of Rockville, in alignment with best practices from other jurisdictions. Below are points for consideration when crafting an ordinance to ban algorithmic rent pricing.

- Be broad enough to cover not just the use of algorithmic devices, but also noncompetitive rent pricing agreements in general.
- Algorithmic devices should be defined as one that uses non-public competitor data. Non-public competitor data is defined by Minneapolis and Philadelphia as "information that is not available to the general public, including information about actual rent prices, occupancy rates, lease start and end dates, and similar data, regardless of whether the information is attributable to a specific competitor or anonymized and regardless of whether it is derived from or otherwise provided by another person that competes in the same market or a related market."
- Address not only price collusion on rental rates, but also price collusion on fees or any other rental term for residential units.
- Ensure to exempt owners of multiple properties for actions related exclusively to multiple properties controlled by the same rental property owner.
- Craft the language in such a way that the city's planned data reporting on rental increase rates would not be in violation of such an ordinance.

Court Costs and Legal Fees
Background
In Maryland landlord-tenant cases, court costs include filing and service fees, while legal fees are for attorneys. The cost varies: filing fees for a Failure to Pay Rent case are $50 to $60 (depending on the county), and a Warrant of Restitution costs around $40. Legal fees are separate and depend on the complexity of the case, potentially ranging from a few hundred to over a thousand dollars. Court costs and fees are set at the state level and are intended to be uniform throughout the state for a given type of case.[10] Maryland counties or municipalities cannot regulate court costs.

A landlord may be able to recover court costs from the tenant if the court rules in their favor, but only if the lease allows it and the total amount cannot exceed the security deposit. To stop an eviction, a tenant must pay the judgment amount, court costs, and any Warrant of Restitution fees by cash, certified check, or money order before the eviction begins.

[9] https://www.kqed.org/news/12045703/facing-costly-lawsuit-berkeley-likely-to-pause-ban-on-rent-setting-algorithms
[10] https://law.justia.com/codes/maryland/courts-and-judicial-proceedings/title-7/subtitle-3/section-7-301/

Recommendation
Staff recommends prohibiting residential leases from requiring a tenant to pay legal costs or attorney's fees other than those awarded by a court. In addition, any lease that requires a tenant to pay legal fees must:

- specify that the attorney's fees are not part of the tenant's rent and need not be paid to redeem the property in a failure to pay rent action; and
- obligate the landlord to pay the tenant's attorney's fees if the tenant is the prevailing party in a legal action and the court awards legal fees.

This is modeled after Montgomery County's lease prohibition on court cost and legal fees.[11]

Fee Transparency and Restrictions
Background
In addition to the monthly rent and utility payments, many landlords charge other fees that can drive up the cost of living for tenants. Sometimes, fees are undisclosed, unpredictable, and arbitrary. Such fees are commonly referred to as "junk fees" and can increase overall monthly payments above what some households can afford. For example, a sample of rental ledgers by the Urban Institute found that non-rent fees added 10 to 30 percent to renters' total monthly costs.[12]

In the past several years, states and localities across the country have sought to ban or significantly restrict junk fees. Jurisdictions have also placed limits on common fees, such as security deposits and application fees. For example, Maryland recently set maximums for both types of fees at one month's rent and $25, respectively.

Recommendations: Fee Transparency
Staff recommend requiring landlords to disclose all fees to tenants when advertising rental units and at the time of lease signing, as well as including mandatory fees in the lease agreement.

- *In Advertising:* Require landlords to disclose all mandatory fees whenever a price is advertised or displayed, including online, as well as whether utilities are included in the monthly rental payment. Monthly mandatory fees may be included in or stated with the monthly rental rate. If mandatory fees are due at a different time from the rent, the amount of the fee and the time at which it is due must be separately stated.

- *Prior to Lease Signing and At Lease Renewal:* Require landlords to fully disclose all fees prior to the lease agreement being certified by both parties and at the time of lease renewal. This may include disclosure at the time of lease signing. The disclosure should include whether the fee is mandatory or optional, the basis for the fee, the amount, and

[11] https://montgomerycountymd.gov/DHCA/Resources/Files/housing/landlordtenant/publications/hbk_olta_eng.pdf
[12] https://housingmatters.urban.org/articles/rental-junk-fees-are-harming-renters

the frequency at which the fee must be paid. Additionally, the landlord should disclose estimated utility costs.

- *In Lease Agreement:* Require residential lease agreements, including lease renewals, to define mandatory fees and note the total monthly charge including rent and any mandatory fees. Landlord must also clearly state which utilities the tenant is responsible for, if utility payments are not included in the monthly rent payment.

Furthermore, staff recommend that if a landlord violates fee transparency requirements, the tenant may recover up to three times the amount of any fees charged to the tenant in violation of the code, plus reasonable attorney's fees, as well as that any action related to fee transparency may be brought at any time during the tenancy, beginning upon the effective date of the new ordinance, or within two years after the tenancy's termination.[13]

Recommendations: Fee Restrictions

Fees are a policy area where general alignment between the county and city may be easiest for landlords' compliance. As such, staff recommend adopting a similar practice to the county of prescribing what types of fees are allowed to be charged rather than establishing general parameters, while still allowing fees for services opted into by the tenant. This includes fees for rental applications, late payments, pets, lost keys, lock outs, secure storage units, internet or cable television, motor vehicle or motorcycle parking, and bicycle parking.[14] Establishing what fees are allowed provides for more straightforward compliance for landlords and staff and would also be easier for tenants to interpret. Staff recommend that this requirement apply to all rental units.

However, staff do not recommend setting maximum fees that must be adjusted annually based on inflation, as the county does. This practice is necessary for the county to prevent landlords for circumventing their rent stabilization ordinance. Since Rockville does not have a rent stabilization ordinance, this would not be of a concern, although staff do suggest adopting some general cost parameters for fees, as described in more detail below.

Table 1 describes staff's full set of recommendations for what fees should be permitted. As stated, much of this is in alignment with Montgomery County's regulations but also incorporates national best practices.

Table 1. Recommendations on Permitted Fees

Type of Fee	*Fee Details*
Application fee	May initially charge more than $25, but any amount above $25 or the actual documented cost of credit check and other screening

[13] Enforcement mechanisms are derived from the Maryland Department of Housing and Community Development's testimony to the Maryland General Assembly regarding HB 1257 from the 2025 legislative session. https://mgaleg.maryland.gov/cmte_testimony/2025/ent/1kacJWzLCnZ7L4uxsGlbUXz7eV_u7eTK_.pdf

[14] https://www.montgomerycountymd.gov/DHCA/Resources/Files/tenants/Fees%20Schedule_2025-2026.pdf

	costs must be refunded to the tenant within 15 days of either: 1) the tenant moving into the unit or 2) the landlord or the applicant gives written notice that the applicant will not rent the unit.[15] Allow for prospective tenants to provide their own portable screening report and to allow portable application fees that can be used to cover multiple applications.
Bicycle parking fee	Permitted for tenants who have opted into use of parking facilities. Cannot exceed one-sixth of any motor parking fee for a secure, fully enclosed bicycle locker or one-tenth and motor parking fee for any other bicycle parking space.
Common ownership community penalties	May pass on the penalty cost if the tenant is found in violation of the bylaws of a common ownership community, provided that the rental unit is located in a common ownership community.
Internet, technology, cable television	May charge the actual cost to the landlord, divided by the number of rental units voluntarily opting in, without any additional fees. Cannot be mandatory and cannot include any common area services.
Lost key fee	May charge the actual cost to the landlord, plus $25.
Lock out fee	If a third party is used, charge may not exceed the actual charge for the service.
Motor vehicle or motorcycle parking fee	Permitted for tenants who have opted into use of parking facilities.
Optional fees	May charge reasonable fees for other services after a tenant affirmatively opts in via written, informed consent after receiving a disclosure containing: 1) a description of the service or amenity, 2) the amount of the fee for the service or amenity, and 3) how the tenant can cancel or opt out of the service or amenity. An optional service does not include a service required to ensure unit access, maintenance, or lease compliance.
Pet fee	May charge a refundable deposit, held in escrow by the landlord, and non-refundable monthly fee.
Secure storage fee	No fee for storage located within, attached to, or associated with a unit.

Other general provisions related to fees should include the following:

- Landlords may not charge fees for services and amenities previously included in the rent for the rental unit or provided to current or prior tenants at no cost.

[15] This is in alignment with state law, which only applies to landlords who rent five or more units. Staff propose applying this requirement, as well as associated state code related to application expenses and tenant screening reports, to all landlords, regardless of how many units they rent.

- Landlords may not charge fee for services or amenities related to "the performance of any repairs, maintenance tasks or other work for which the landlord has a duty to perform to maintain the habitability of the dwelling unit."[16]
- If a landlord neglects to charge a tenant a fee, the landlord may not back-charge for that fee.
- Any tenant money not used to pay a rental fee or found to be more than what is owed must be refunded to the tenant.
- Fees may only be increased at the time of lease renewal and a 90-day notice must be provided ahead of time.
- In addition to stating that only the above fees may be charged, also clarify that the landlord may not charge any administrative or processing fees for utilities, including for trash.
- Landlords must provide a way for tenants to pay rent that 1) does not have additional fees and 2) does not require access to the internet.

Note that the above allowed fees would not preclude a landlord from collecting late fees or requiring tenants to purchase renters insurance. Maryland caps late rent penalties at 5 percent, with weekly leases capped at $3 per week with a $12 per month maximum. Recent state law no longer allows landlords to charge late payment penalties based on the full rent amount.[17] Landlords must now calculate late fees only on the unpaid portion of the rent. Because of Maryland's strong state-level protections for late fees, staff do not recommend taking further policy action.

Guarantor Requirements

Background

A guarantor is a person or company who agrees to take on financial responsibility for a tenant's rental payments if the tenant is unable to pay. Landlords may require prospective tenants to have guarantor if the applicant is determined to be at-risk of not paying rent. A landlord may accept an additional fee in place of a guarantor, which ranges depending on the landlord and situation. Tenants typically will pay the fee themselves or pay a company to act as a guarantor.

Guarantors provide housing opportunities to tenants who may otherwise be rejected from an apartment. However, the practice can also place low-income tenants in a difficult position when looking for a home. In addition to a security deposit, the fee from a guarantor company can cost anywhere from four to ten percent of the annual rent.[18] For a $2,000 per month apartment, the guarantor fee could be as much as $2,400.

There are no localities that have placed restrictions on when a guarantor is required.

Recommendation

[16] https://archive.leg.state.nv.us/Session/82nd2023/Bills/SB/SB381_EN.pdf
[17] https://mgaleg.maryland.gov/2025RS/chapters_noln/Ch_580_hb0273T.pdf
[18] https://www.experian.com/blogs/ask-experian/what-is-guarantor-and-do-i-need-one/

Staff would like to balance the financial risk of landlords while curbing potentially predatory behavior against low-income tenants. As such, staff recommend only allowing landlords to require a guarantor when the tenant has indicated financial risk due to insufficient income, a low or nonexistent credit history, unstable employment, or having no rental history. If a guarantor is required by the landlord for one of these reasons, the landlord must provide the prospective tenant with the reason in writing, as well as information about how to file a complaint with the city's Landlord-Tenant Affairs Commission, should the prospective tenant disagree with the landlord's finding of financial risk.

Repair and Deduct

Background

In cases where landlords are not responsive and efficient at making repairs, tenants have a few courses of action to hold landlords accountable. One is to file for rent escrow, which while a valid recourse can take time to go through the full court process. If the tenant's maintenance issue makes day-to-day life difficult, then any kind of delay can be untenable. Another option currently available to tenants is to file a complaint with the city's code enforcement division.

Increasingly popular in some jurisdictions is to offer a "repair and deduct" option to tenants. With a repair and deduct policy, if a landlord fails to make a repair within a reasonable amount of time, then the tenant (or potentially an acting agent) can make the repair at their own cost and then deduct the cost of repairs from the rent.[19]

Many of the repair and deduct laws require that the tenant not only give the landlord the appropriate amount of time to make the repairs, but also that a formal inspection be conducted for the local governing body to provide a reasonable timeframe for the repairs—depending on the scope. In Montgomery County the standard is 24-48 hours for life-threatening repairs and can vary from 15-30 days for all other repairs.[20] California was among the first to put forth a law regarding repair and deduct and this provision has been replicated by many jurisdictions since. Under that code the tenant may only deduct after the reasonable amount of time has been given and they can only deduct up to one month of rent.[21] Alternatively, the tenant can immediately opt to cancel their lease after this grace period expires. However, the provision of repair and deduct can only be used twice per year.

Virginia law furthers this law in addressing specifically pest issues as an extension of the repair and deduct scope.[22] Of note, tenants are not allowed to do the work themselves but expected to go through a licensed third -party contractor. It does not have to be a contractor approved by the landlord so long as the contractor is licensed through the state or local authority. Montgomery County's repair and deduct law also includes the caveat that if the landlord has received two or more violations of the same variety in a 12-month period, then the landlord has

[19] https://www.law.cornell.edu/wex/repair_and_deduct
[20] https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomeryco_md_comcor/0-0-0-90383
[21] CA Civ Code § 1942 (2024)
[22] https://law.lis.virginia.gov/vacodepopularnames/virginia-residential-landlord-and-tenant-act/

only 48 hours to correct the violation.[23] However, all jurisdictions that have implemented repair and deduct laws mandate that the lowest possible cost must be sought and that only a maximum of one month of rent can be deducted.

Recommendation
Staff recommends modeling a repair and deduct policy off Montgomery County law. However, staff recommends raising the maximum allowable deduction to two months of rent in instances where a larger repair might be required. With the average rent in Rockville being over $2,000, this could be expected to cover repairs over $4,000, although would depend on the rent of the tenant.

Mayor and Council History

Housing is one of the Mayor and Council's five focus areas. In June 2024, a high-level briefing was presented outlining the city's housing crisis and policy landscape. Later in 2024, there were three work sessions on the city's housing strategies, during which updating City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations was approved by the Mayor and Council as one of the strategies.

An initial work session specifically related to transparency was held on June 16, 2025. During that work session, staff presented preliminary recommendations on data collection and reporting requirements, lease requirements, and other posting requirements. Mayor and Council feedback was incorporated into this work session.

A work session on rental licensing inspections was held on November 10, 2025. Staff recommended enhancements to the program that will be codified in the updated chapter.

Public Notification and Engagement

Staff hosted two virtual input meetings – one with landlords on May 20, 2025 and one with tenants on May 27, 2025. During these meetings, participants received a presentation about the landlord-tenant code update project, answered polling questions, and participated in breakout rooms where staff members facilitated discussion with preset questions. Additionally, staff held interviews with and received feedback from stakeholder organizations.

Since the spring, staff have also solicited feedback through the project's Engage Rockville webpage. The webpage includes project information, a survey, comment form, and question portal. An email sharing information about the December 8, 2025 Mayor and Council work session on the landlord-tenant code rewrite was sent out on November 24, 2025 to those who had registered to receive updates about the project.

[23] Montgomery County Code Chapter 29.22.01.03 Reasonable and Specified Time to Correct

Feedback from meetings, interviews, emails, and the Engage Rockville tools has been thoroughly reviewed and taken into consideration in forming staff's recommendations for the Chapter 18 rewrite. Below is a summary of the feedback received:

Tenant concerns primarily included:

- Rising rents.
- New fees, including but not limited to technology, amenity, application, hold, court, eviction, and month-to-month fees.
- Discrepancies between the city and county can be confusing and result in fewer protections for tenants.
- Lack of information, including but not limited to rental license status, code infractions, landlord contact information, and past rent increases.
- Desire for a relocation assistance policy, but recognition that the county's policy has had implementation challenges.
- Neglected or untimely maintenance.
- Protection against retaliation.
- Lack of an air conditioning requirement.

Landlord concerns primarily included:

- Increasing costs, including but not limited to taxes, fees, and HOA/condo payments.
- Length and difficulty of eviction proceedings.
- Difficulty of applying for a rental license, particularly when compared with Montgomery County.
- Responsiveness of city staff and lack of clear points of contact.
- Keeping up with and adhering to code requirements, especially when differentiating between Montgomery County and City of Rockville.
- Confusion around Voluntary Rent Guidelines.

Next Steps

The feedback received from the Mayor and Council will be incorporated into staff's final recommendations for the comprehensive update to City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations.

The next work session is tentatively scheduled for February 23, 2026. At that work session, staff intend to present research and recommendations on additional new policies and recommendations for programmatic enhancements, such as strategies to increase landlord and tenant education and ways to support tenant outreach and organizing, as well as share suggested reviews of other sections of city code that impact landlords and tenants, such as the Tenant Opportunity to Purchase ordinance.

Attachments

Presentation

Mayor and Council

Work Session – Chapter 18 Code Update, Rental Facilities and Landlord-Tenant Relations

December 8, 2025

City of Rockville
Housing & Comm Development

Outline

- Requested Feedback
- Background
- Alterations to Current Code
- New Policies
- Next Steps
- Requested Feedback

Requested Feedback

Do you agree with staff's recommendations for:

1. Alterations to the current code?

   → Examples: Two-Year Lease Terms, Early Lease Termination, Lease Review and Receipt, Tenant Organizing, Non-Electronic Payments, Rental Payment History

2. New policies to be added?

   → Algorithmic Rent Pricing Ban, Court Costs and Legal Fees, Fee Transparency and Regulation, Guarantor Requirements, and Repair and Deduct

Background

- Housing is one of five focus areas
- Fall 2024: Three work sessions on the city's housing strategies. Comprehensively updating Chapter 18 was approved as a strategy by the Mayor and Council.
- June 2025: Work session on data reporting and transparency in Chapter 18.
- November 2025: Work session on rental licensing inspections.

Background

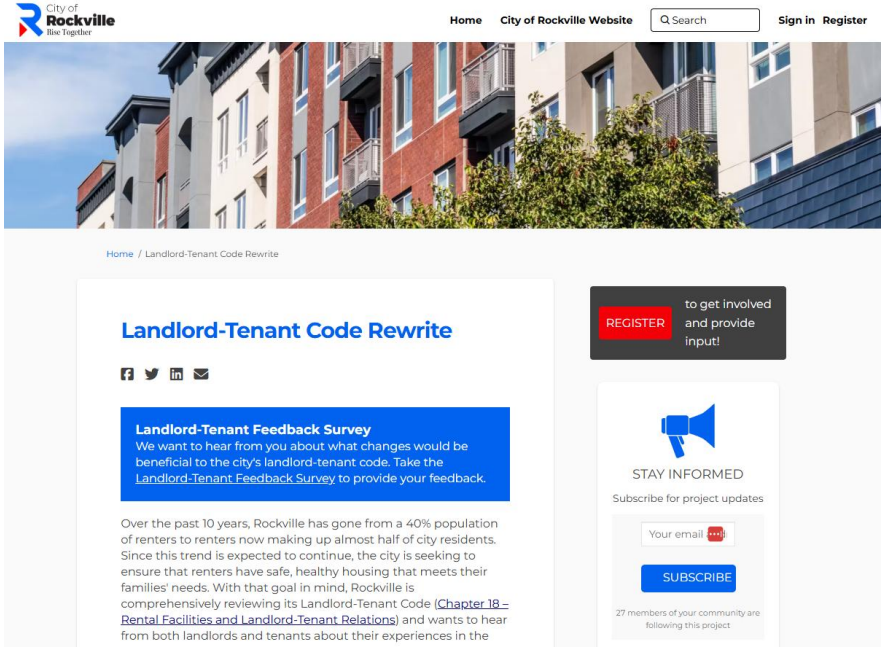
Goals for the Landlord-Tenant Code Rewrite

- Provide clarity on existing code elements.
- Consider alignment with surrounding jurisdictions' codes and ensure alignment with state of Maryland law.
- Improve housing stability and opportunities for tenant agency.
- Require greater transparency for tenants.
- Review local and national best practices.
- Better connect data collection and city goals.

Background

Public Engagement

- Hosted two virtual input meetings – one with landlords, one with tenants
- Published Engage Rockville webpage with project information, survey, comment form, and question portal
- Received input and met with stakeholders



Screencap of Engage Rockville Webpage

Background

Public Feedback – Tenant Concerns

- Rising rents
- New fees
- Discrepancies between the city and county protections
- Lack of information regarding landlord and property
- Desire for a relocation assistance policy
- Neglected or untimely maintenance
- Protection against retaliation
- Lack of an air conditioning requirement

Background

Public Feedback – Landlord Concerns

- Increasing costs (taxes, fees, HOA payments)
- Length and difficulty of eviction proceedings
- Difficulty of rental license application process
- Responsiveness of city staff and lack of clear points of contact
- Keeping up with and adhering to code requirements
- Confusion around Voluntary Rent Guidelines

Alterations to Current Code

1. Definitions: Improve clarity and be in alignment with the Zoning Ordinance Rewrite.

2. Purposes and Policies: Enhance in alignment with goals; for example, by adding: “To improve housing stability and opportunities for tenant agency.”

3. General Clarifications: Includes clarifications to the Landlord-Tenant Affairs Commission’s processes.

4. Two-Year Lease Terms: Require to be offered.

Alterations to Current Code

5. Early Lease Termination: Add reasons for tenants to terminate the lease early, including:

- Domestic violence;
- The unit being deemed unable to be occupied for a certain number of days;
- The landlord's rental license being revoked for reasons related to the tenant's unit; and
- The landlord failing to make certain repairs required to correct a violation that affects the health and safety of the tenant.

6. Lease Review and Receipt:

- Prospective tenants must receive a copy of their proposed lease at least 2 days prior to the day of its execution, unless the tenant requests otherwise.
- Reduce the amount of time the landlord must provide the tenant with an executed copy of the lease from 10 days of its execution to 3 business days.

Alterations to Current Code

7. Renewal Letter: Require the rental amount included in the renewal offer letter to match the rental amount listed on the renewed lease.

8. Tenant Organizing:

- Clarify that tenants may form, join, meet, or assist one another independently of property management or ownership.
- Prohibit landlords from charging tenant organizations fees for the use of meeting rooms or common areas.
- Allow tenants and tenant organizations to invite guests, including non-resident organizations, onto the premises to conduct activities related to the tenants' concerted activities, unless an individual has been otherwise prohibited.

Alterations to Current Code

9. Non-Electronic Payments: Tenants must be provided an option to make payments via non-electronic or web-based methods without being charged additional fees.

10. Rental Payment History: Tenant shall be able to request and receive their entire rental payment history.

11. Notice Requirements: For all legally required notices, notice must be provided in hardcopy, written format.

12. Rental Inspection Frequency: Remove the requirement to inspect single-family dwellings when the tenant changes.

Alterations to Current Code

13. Data Collection, Reporting, and Posting Requirements:

- *Lease Collection:* Landlords must submit standard leases at the time of rental license renewal.
- *Applicability:* All landlords of apartment complexes with 8 or more units must submit data reporting.
- *Notice of Requirements of Rent Increases:* Remove requirement for landlord to provide DHCD director with rent increase information when notifying the tenant of an increase.
- *Reporting Frequency:* Change from monthly to annual at time of rental license renewal and collect data through rental licensing process.
- *Record Holding Requirement:* Allow DHCD to request records on actual monthly utility costs include gas, electric, heating, fuel, trash removal, water and sewer, and any other expense which is passed onto tenants as a fee.

Alterations to Current Code

13. Data Collection, Reporting, and Posting Requirements (cont.):

Mandatory Reporting Requirements: Data required to be reported as a part of the annual rental licensing process would include:

- A copy of the standard lease
- Owner information (name, address, phone number)
- Structure information (location, type, year built, number of units)
- Amenities
- Utilities included in rent
- Schedule of possible fees charged in addition to monthly rent
- Individual unit information, including unit number, bedrooms, square footage, most recent monthly rent, whether unit has restrictions on rent increases (for cases of non-profit housing)

New Policies

Algorithmic Rent Pricing Ban

Background

- Rental pricing algorithms use extensive market data to predict and recommend rents that will maximize profit
- Can lead to price coordination and erode market competition
- Many lawsuits have been filed against algorithmic rent pricing companies
- Increases rents an estimated $112/month in the D.C. region
- Eight properties in Rockville are named in U.S. DOJ lawsuit, representing 2,000 apartments
- New York, California, and 11 cities have banned the practice

New Policies

Algorithmic Rent Pricing Ban

Recommendation: Ban algorithmic rent pricing in Rockville.

Considerations:

- Be broad enough to cover noncompetitive rent pricing agreements generally.
- Define algorithmic devise as ones that use non-public competitor data.
- Also address price collusion on fees or any other rental terms.
- Exempt owners of multiple properties for actions related exclusively to multiple properties controlled by the same rental property owner.
- Craft language in such a way that the city's planned data reporting on rental increase rates would not be in violation.

New Policies

Court Costs and Legal Fees

Background

- Landlords are only able to recover court costs from tenants if 1) the court rules in the landlord's favor, 2) the lease allows it, and 3) the total amount does not exceed the security deposit.

Recommendation: Prohibit leases from requiring a tenant to pay legal costs or attorney fees other than those awarded by a court. Any lease that requires a tenant to pay legal fees must:

- Specify attorney's fees aren't a part of the tenant's rent
- Obligate the landlord to pay tenant's attorney fees if the tenant wins in court

New Policies

Fee Transparency and Restrictions

Background

- Non-rent fees can add 10-30% to renters' total monthly costs
- Sometimes fees can be undisclosed, unpredictable, and arbitrary
- Maryland recently set maximums for security deposits and application fees

New Policies

Fee Transparency and Restrictions

Transparency Recommendations:

- *In Advertising:* Require disclosure of all mandatory fees whenever a price is advertised or displayed (including online), as well as whether utilities are included in rent. Mandatory monthly fees may be included in or stated with the monthly rent, but must be separately stated otherwise.
- *Prior to Lease Signing/At Lease Renewal:* Fully disclosure all fees prior to lease agreement being certified by both parties and at the time of lease renewal. Must include whether the fee is optional, the basis, the amount, and frequency. Also, landlord must disclose estimated utility costs.

New Policies

Fee Transparency and Restrictions

Transparency Recommendations (cont.):

- *In Lease Agreement:* Must define mandatory fees and note the total monthly charge including rent and any mandatory fees. Must also clearly state which utilities the tenant is responsible for.
- *Violations:* Tenant may recover up to three times the amount of any fees charged to the tenant in violation of the code, plus reasonable attorney's fees. Action may occur at any time during the tenancy or within two years after the tenancy's termination.

New Policies

Fee Transparency and Restrictions

Restriction Recommendations: Align with Montgomery County by prescribing what types of fees are allowed, while still allowing fees for services opted into by the tenant and not setting maximums that are inflation-adjusted annually.

Considerations:

- Not allow fees for services/amenities previously included in the rent or provided to current/prior tenants at no cost.
- Not allow fees for maintenance.
- Landlords may not back-charge for fees.
- If a tenant pays more than what is owed, they must be refunded.
- Fees may only be increased at time of lease renewal and with a 90-day notice.
- May not charge any administrative or processing fees for utilities, including for trash.

New Policies

Fee Transparency and Restrictions – Recommended Allowable Fees

Type of Fee	Fee Details
Application fee	Apply state law to all landlords, rather than only those with 5 or more rental units
Bicycle parking fee	Not exceed 1/6 of any motor parking fee for a bike locker and 1/10 for any other space
Common ownership community (COC) penalties	May pass on the penalty cost if tenant is found in violation of the bylaws of a COC
Internet, tech, cable	May charge actual cost to landlord, divided by # of units voluntarily opting in, without any additional fees. Cannot be mandatory or include common area service.
Lost key fee	May charge actual cost to landlord, plus $25
Lock out fee	If third party is used, charge may not exceed actual charge for the service
Motor vehicle or motorcycle parking	Permitted for tenants who have opted into use of parking facilities
Optional fees	Permitted as long as landlord has provided certain information
Pet fee	May charge a refundable deposit and non-refundable monthly fee
Secure storage fee	No fee for storage located within, attached to, or associated with a unit

New Policies

Guarantor Requirements

Background

- Guarantor is a person or company who agrees to take financial responsibility for a tenant's rental payments if tenant is unable to pay
- Landlords may require "risky" tenants to have a guarantor
- Guarantor fees range from 4-10% of annual rent ($2,400 on a $2,000/month apt.)
- No localities have placed restrictions on when a guarantor is required

Recommendation

- Create parameters for when a landlord may require a guarantor
- Landlord must provide the tenant the reason in writing

New Policies

Repair and Deduct

Background

- Another tool for when repairs are not being made in a timely fashion.
- Maximum allowable deduction has been set almost universally at up to one month's rent.
- Process can only be pursued after giving the landlord a reasonable amount of time and a notice of violation has been provided.

Recommendation: Model off Montgomery County's Repair and Deduct policy, but consider going up to two months of rent in maximum deduction.

Next Steps

For Discussion at Next Work Session

- More new policies
- Programmatic enhancements
- Recommendations for review of other code sections

Requested Feedback

Do you agree with staff's recommendations for:

1. Alterations to the current code?

   → Examples: Two-Year Lease Terms, Early Lease Termination, Lease Review and Receipt, Tenant Organizing, Non-Electronic Payments, Rental Payment History

2. New policies to be added?

   → Algorithmic Rent Pricing Ban, Court Costs and Legal Fees, Fee Transparency and Regulation, Guarantor Requirements, and Repair and Deduct

MAYOR AND COUNCIL Meeting Date: December 8, 2025
Agenda Item Type: MOCK AGENDAS
Department: CITY CLERK/DIRECTOR OF COUNCIL OPERATIONS OFFICE
Responsible Staff: SARA TAYLOR-FERRELL

Subject

Mock Agenda

Recommendation

Staff recommends the Mayor and Council review and provide comments.

Attachments

Mock Agenda 12.15.25 (11.26.25)

MAYOR AND COUNCIL

Meeting No. 31-25
Monday, December 15, 2025 - 6:30 PM

MOCK AGENDA

Agenda item times are estimates only. Items may be considered at times other than those indicated.

Ways to Participate

If you require a reasonable accommodation, for community forum or a public hearing and need reasonable accommodations, please contact the City Clerk's Office by the Wednesday before the Monday meeting at 240-314-8280 or cityclerk@rockvillemd.gov or by filling this form: https://www.rockvillemd.gov/FormCenter/City-Manager-2/Request-a-Reasonable-Accommodation-50

Translation Assistance

If you wish to participate in person at a Mayor and Council meeting during community forum or a public hearing and may need translation assistance in a language other than English, please contact the City Clerk's Office by the Wednesday before the Monday meeting at 240-314-8280, or cityclerk@rockvillemd.gov, or by using this form: https://www.rockvillemd.gov/FormCenter/City-Clerk-11/Sign-Up-for-Translation-Assistance-at-Co-368

In-Person Attendance

Community members attending in-person who wish to speak during Community Forum, or a Public Hearing, should sign up using the form at the entrance to the Mayor and Council Chamber. In-person speakers will be called upon in the order they are signed to speak and before virtual speakers.

Note: In-Person Speakers will be called upon to speak before those who have signed up to speak virtually for Community Forum and Public Hearings.

Viewing Mayor and Council Meetings

The Mayor and Council are conducting hybrid meetings. The virtual meetings can be viewed on Rockville 11, Comcast, Verizon cable channel 11, livestreamed at www.rockvillemd.gov/rockville11, and available a day after each meeting at www.rockvillemd.gov/videoondemand.

Participating in Community Forum & Public Hearings:

If you wish to submit comments in writing for Community Forum or Public Hearings:

- Please email the comments to mayorandcouncil@rockvillemd.gov no later than 10:00 am on the date of the meeting.

If you wish to participate in-person or virtually in Community Forum or Public Hearings during the live Mayor and Council meeting:

1. Send your Name, Phone number, For Community Forum and Expected Method of Joining the

Meeting (computer or phone) to mayorandcouncil@rockvillemd.gov no later than 10:00 am on the day of the meeting. Each speaker will receive 3 minutes.
2. Send your Name, Phone number, the Public Hearing Topic and Expected Method of Joining the Meeting (computer or phone) to mayorandcouncil@rockvillemd.gov no later than 10:00 am on the day of the meeting.
3. On the day of the meeting, you will receive a confirmation email with further details, and two Webex invitations: 1) Optional Webex Orientation Question and Answer Session and 2) Mayor & Council Meeting Invitation.
4. Plan to join the meeting no later than approximately 20 minutes before the actual meeting start time.
5. Read for https://www.rockvillemd.gov/DocumentCenter/View/38725/Public-Meetings-on-Webex meeting tips and instructions on joining a Webex meeting (either by computer or phone).
6. If joining by computer, Conduct a WebEx test: https://www.webex.com/test-meeting.html prior to signing up to join the meeting to ensure your equipment will work as expected.

Participating in Mayor and Council Drop-In (Mayor Ashton and Councilmember Valeri)

The next scheduled Drop-In Session will be held by phone or in-person on Monday, January 12 from 5:15 pm - 6:15 pm with Mayor Ashton and Councilmember Valeri. Please sign up by 10 am on the meeting day using the form at: https://www.rockvillemd.gov/formcenter/city-clerk-11/sign-up-for-dropin-meetings-227

1. **Convene - 6:30 PM**

2. **Pledge of Allegiance**

3. **Proclamation and Recognition - NONE**

4. **Agenda Review - 6:35 PM**

5. **City Manager's Report - 6:40 PM**

6. **Boards and Commissions Appointments and Reappointments - NONE**

7. **Community Forum - 6:45 PM**

8. **Special Presentations - NONE**

9. **Consent Agenda - 7:05 PM**

10. **Public Hearing - NONE**

11. **Action Items - 7:10 PM**

    A. Approval of a resolution to designate the Rockville Metro Station and the surrounding area as a Maryland Transit-Oriented Development (TOD) site.

    B. Authorization to Support an Application of the FY 24-25 Federal-State Partnership for Intercity Rail Passenger Rail Program Grant

    C. Introduction and Adoption of Amendments to Green Building Code Regulations

D. Chapter 9 Fire Code Update

12. Worksession - NONE

13. Mock Agenda - 8:30

14. Old / New Business - 8:35 PM

15. Adjournment - 8:45 PM