



## HICKORY RIDGE VILLAGE BOARD MEETING AGENDA

April 28, 2025 • 7:30pm

In person, at The Hawthorn Center with hybrid option

*Residents may comment on agenda items when the item is introduced for up to two minutes.*

*Board members are happy to receive feedback via email at [board@hrvboard.org](mailto:board@hrvboard.org).*

1. Approval of Agenda
2. Approval of March 24, 2025, and April 14, 2025, Meeting Minutes
3. Board Update
4. Resident Speak – Out: *two minutes per speaker to discuss items **NOT** on the agenda.*
5. CA Board of Directors Report—Skye Anderson
6. New Business:
  - A. Donation Request – Grassroots Crisis Intervention
  - B. Columbia Association Update, Dannika Rynes, Sr. Manager of Media Relations & Communications
  - C. Appoint FY26 Board Members
    - i. Kristine Amari
    - ii. Mark Covington
    - iii. Stephen Hannan
    - iv. Micajah McGarity
    - v. Mariah Robertson
  - D. Rental Rates for The Hawthorn Center
7. Old Business:
  - A. FY2026 Draft Budget
  - B. Facility Management and Grant Agreements with Columbia Association
8. Manager Report—Laura Mayton
9. Action Items
10. Adjournment



## Hickory Ridge Community Association

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6175 Sunny Spring, Columbia, Maryland 21044 • 410 730-7327  
hickoryridgevillage.org • thehawthorncenter.org

### **DONATION REQUEST FORM**

Date: April 15, 2025

Name of Organization: Grassroots Crisis Intervention Center, Inc.

Contact Person: Anna Katz

Address: 6700 Freetown Road, Columbia MD 21044

Telephone: 410-531-6006

Email: anna@grassrootscrisis.org

### ***Please answer the following questions:***

**The Hickory Ridge Board prefers that the donation be used primarily for Hickory Ridge residents.**

#### **Who will receive the service?**

Grassroots Crisis Intervention Center operates Howard County's only emergency shelter at our location at 6700 Freetown Road in Columbia. The shelter service families and individuals experiencing homelessness. Shelter residents receive comprehensive case management services which include a room, 3 meals a day, support to develop a housing plan, assistance with transportation, help with social service and behavioral health services, access to employment volunteers for job search assistance, and help with applying for housing. The program has 70 emergency shelter beds for adults and children experiencing homelessness. An additional 9 beds are expected to be added in summer 2025. When families and individuals move out of shelter and into stable housing, they have very little to no furniture. The most basic item that someone needs in a new place is a bed. Grassroots orders new beds for our clients for \$150-\$300 depending on size. This includes a mattress, frame, and delivery. Without this arrangement, most of our clients would be sleeping on a blow-up bed or on the floor.

#### **How many people?**

Grassroots provides emergency shelter to about 90 individuals or 40 households a year. With a \$2,000 donation from the Hickory Ridge Community Association, Grassroots would be able to provide new beds for about 8-12 individuals depending on bed size.

#### **What will the donation be used for?**

The funding would be used to purchase beds for shelter residents staying at our Freetown Road facility when they move to stable housing. Adults receive twin- or full-size beds, couples get a queen size bed, and children and toddlers get smaller beds. On a side note, Grassroots partners with Home of Our Own Howard (HOOOH) which provides furniture to clients moving from

homelessness to housing. Home of Our Own often struggles with having beds available so Grassroots buys the beds and HOOOH provides the rest of the furniture. HOOOH was founded by a Hickory Ridge resident.

**What is the total budgeted amount of the project?**

About \$7,000 annually. Grassroots rehouses about 2 to 4 households a month. Grassroots is requesting \$2,000 which would allow us to purchase 8-12 beds.

**How are other funds being obtained? What other organizations have made or will be making donations?**

In the past, this project has received financial support from the Community Foundation of Howard County, The Women's Giving Circle, and PNC Bank Foundation. Those funds have been used up so we are seeking additional support so we can continue to purchase beds for clients as they move out. Grassroots will continue to solicit donations from other organizations in Howard County to support this cause. In 2025, Grassroots requested funds from Town Center Community Association and Women's Giving Circle. Support was requested from PNC Bank Foundation, but the request was declined.

*Please use another page for any additional information.*

Amount requested: \$2,000

## Hawthorn Center Rental Rate Comparison

Current Rates				Proposed New Rates		
Weekday Meeting Rates (Mon- Fri 'til 5pm) (2HR minimum)						
	Banquet Room	Conference Room	Entire Building	Banquet Room	Conference Room	Entire Building
Reg vs. Res/NP	\$65/\$60 per hr \$70 clean fee*	\$42/\$37 per hr \$35 clean fee**	\$90/\$80 per hr \$100 clean fee*	\$78/73 per hr \$85 clean fee*	\$50/45 per hr \$42 clean fee**	\$108/98 per hr \$120 clean fee*

Weekday Social Rates (Mon-Thurs after 5PM; 4-hr minimum)		
New offering	Banquet Room	Entire Building
No previous rates	\$585/\$530 +\$105/hr	\$695/640 +\$135/hr

Weekend/Social Rental Rates (moving from 4-hr min to 5-hr min)				
	Banquet Room	Entire Building	Banquet Room	Entire Building
Friday (after 5PM)	\$550/\$495 +\$95/hr	\$650/\$595 +\$120/hr	\$690/\$635 +\$105/hr	\$830/\$775 +\$135/hr
Saturday	\$600/\$540 +\$105/hr	\$700/\$640 +\$130/hr	\$755/\$695 +\$115/hr	\$895/\$835 +\$145/hr
Sunday	\$550/\$495 +\$95/hr	\$650/\$595 +\$120/hr	\$755/\$695 +\$115/hr	\$895/\$835 +\$145/hr

We are changing from a 4-hr minimum to a 5-hr minimum for all weekend social events.

**Village:** Hickory Ridge  
**Fiscal Year:** 2026  
**Date Prepared:** 15-Mar-25

# **DRAFT OPERATING BUDGET**

	Budget 2026	Budget 2025	Estimate 2025
<b><u>REVENUES</u></b>			
1 CA Annual Charge Share Grant	335,625	325,876	325,876
2 Lease & Rental	147,000	134,000	133,230
3 Tuition & Enrollment	0	0	0
4 Interest	180	180	163
5 Special Events	6,635	4,500	5,000
6 Fees	110	200	65
7 Miscellaneous	3,200	4,200	2,200
8 Gain/loss on Disposal of Asset	0	0	0
<b>Total Income</b>	<b>492,750</b>	<b>468,956</b>	<b>466,534</b>
<b><u>EXPENSES</u></b>			
9 Staff Salaries	280,625	270,000	281,000
10 Janitorial Wages	0	0	0
11 Contract Labor	7,000	100	675
12 Payroll Benefits	21,500	21,000	21,500
13 Payroll Taxes	21,000	23,000	21,015
14 Janitorial Expense	30,900	29,000	30,945
15 Fees	25,300	19,500	14,200
16 Operating Expenses	9,750	11,000	9,600
17 Business Expenses	3,300	3,400	2,528
18 Insurance	11,000	12,000	10,413
19 Advertising	1,000	1,000	800
20 Newsletter	20,000	25,000	24,000
21 Other Printing	4,500	4,500	4,500
22 Donations/Contributions	9,000	11,000	13,000
23 Special Events	20,000	28,000	26,000
24 Taxes	1,600	1,600	2,465
25 Utilities	14,500	12,400	14,100
26 Repairs & Maintenance	6,640	10,100	5,000
27 Furniture, Fixtures and Equipment	3,000	5,000	2,500
28 <b>Total Expenses Before Depreciation</b>	<b>490,615</b>	<b>487,600</b>	<b>484,241</b>
29 Depreciation	2,135	5,434	5,434
30 <b>Total Expenses</b>	<b>492,750</b>	<b>493,034</b>	<b>489,675</b>
<b>Increase/(Decrease) in Unrestricted Net Assets</b>	<b>0</b>	<b>(24,078)</b>	<b>(23,141)</b>

## **FACILITIES MANAGEMENT AGREEMENT**

This Facilities Management Agreement (this “Agreement”) is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2025 by and between Columbia Association, Inc. (“CA”), a Maryland non-profit corporation having its address at 6310 Hillside Court, Suite 100, Columbia, MD 21046 and **Hickory Ridge Community Association, Inc.** (“Association”), a Maryland non-profit corporation having its address at 6175 Sunny Spring, Columbia, MD 21044.

WHEREAS, CA owns certain buildings located within the Village of Hickory Ridge and known as **HAWTHORN CENTER** (hereinafter referred to as the “Buildings”) and owns adjoining open space grounds, which may include patios, courtyards, gardens and lawn areas (hereinafter referred to as the “Grounds”), as shown on Exhibit A attached hereto and made part hereof (the Buildings and Grounds are hereinafter collectively referred to as the “Facilities”); and

WHEREAS, the Association desires to manage the Facilities for the use, enjoyment, and benefit of the community in accordance with the terms and conditions of this Agreement; and

NOW, THEREFORE, for and in consideration of the foregoing recitals, which are deemed to be a substantive and material part of this agreement and the mutual promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

### **Article I: Responsibilities of the Parties**

**1. Management Contact.** The Association shall provide CA with the name of the person to contact with respect to such management matters.

**2. Permitted Uses.** The Association shall manage the Facilities for the following purposes, provided that no such use conflicts with the prohibited uses defined in Exhibit B:

- a. Providing services to the community, including classes, programs, special events, and activities;
- b. Holding meetings of the Association’s Board of Directors and its committees;
- c. Making meeting and event space available to the community for civic and social purposes;
- d. Providing leased or rented space to commercial, religious, social and civic organizations or individuals for private events;
- e. Providing office space for Association management, covenant enforcement activities, and distribution of community information; and
- f. For such other purposes as may serve the common good and social welfare of the community.

**3. Operating Hours.** The Association shall maintain operating hours at the Buildings at least 48 weeks per year for a minimum of 40 hours per week to include evening and weekend hours. Such operating hours may be suspended if the Buildings are undergoing renovation or due to other unforeseen circumstances that render public use of the Buildings extremely difficult or impossible, in the judgment of the Association’s Village Manager and/or CA.

**4. Building Maintenance.** The Association shall be responsible for the normal care, repair, custodial maintenance, and upkeep of the Buildings, except for extraordinary, unusual, or non-recurring

maintenance items as defined in Exhibit C. The Association shall exercise reasonable care to protect the Buildings from damage or destruction by any reasonable means. Exhibit C notwithstanding, the Association shall be responsible for all repairs when damage to the Building(s) or Grounds is caused by the action or inaction or negligence of the Association, its agents, employees, lessees, renters, invitees, licensees, or members. CA shall be responsible for all repairs when damage to the Buildings or Grounds is caused by the action or inaction or negligence of CA, its agents or employees.

**5. Grounds Maintenance.** CA shall provide routine maintenance of the Grounds and open space surrounding the Buildings, which shall consist of snow removal, appropriate landscaping at the discretion of CA, and repairs to fences and benches. Such snow removal shall consist of clearing the parking lot, the main walkway from the parking lot to the main entrance of the Building(s) and clearing emergency exit doorways and associated access ways.

**6. Equipment Purchases.** Except as otherwise provided in this Agreement, the Association shall be responsible for the purchase of all equipment, tools, materials and supplies that the Association determines are necessary for the maintenance or operation of the Buildings. CA and the Association expressly agree that such items purchased by the Association are the property of the Association, and such items purchased by CA are the property of CA.

**7. Duty to Inspect and Report.** The Association shall routinely inspect the condition of the Facilities and the surrounding parking lots, landscaped areas, and all exterior lighting wherever located. The Association shall report any maintenance items or vandalism to CA within 24 hours of, or the next business day, whichever is earlier, after discovering same.

**8. Pest Management.** The Association shall maintain a comprehensive pest management contract for the buildings.

**9. Chemical Information List.** The Association shall compile, maintain, and provide its employees and CA access to a chemical information list which contains the common name, the chemical name and identification of the work area in which any hazardous chemical is found. The Association shall maintain and provide its employees and CA with access to Material Safety Data Sheets for each chemical listed on the chemical information list.

**10. Use of Facilities for CA Meetings.** The Association shall provide space in the Facilities for officially sponsored CA meetings and CA Board meetings subject to the following conditions:

- a. CA will enter into a rental agreement with the Association prior to using the Facilities but will not be charged a security deposit.
- b. The Association will accommodate meetings of CA at no charge during regular business hours or at other times when the Building(s) would normally be open to the public, on a space available basis. CA will reimburse the Association for expenses incurred due to CA's use, including additional staffing, set-up, supplies, and any damage to the Facilities or equipment.
- c. The Association will charge CA the non-profit or resident rate customarily charged by the Association for use of the Facilities for CA events for which an admission or other fee is charged by CA and for events that occur when the building would not normally be open to the public.
- d. A meeting officially sponsored by CA is one that is arranged or facilitated in whole or in substantial part by CA. Meetings of other organizations, which CA staff may attend, are not

considered officially sponsored meetings and will incur normal rental charges.

**11. Right to Sell, Transfer, Assign, Impair or Encumber Facilities.** CA shall have the right and power under this Agreement, upon sixty (60) days written notice to the Association, to settle, transfer, assign, impair, or encumber the Facilities in any manner it deems desirable, and in such event, the Association's rights under this Agreement shall be subject to the rights of said assignee or transferee. In this regard, the Association, upon the request of CA, hereby agrees to subordinate its rights under this Agreement in their entirety to (a) any sale, leaseback, mortgage, deed of trust, credit lease agreement, loan, loan agreement, trust agreement or other similar financing vehicle utilized by CA or (b) any request for subordination by holders of bonds, notes, or other evidence of indebtedness issued by CA. The Association will have no power or authority to sell, transfer, assign, impair, or encumber the Facilities or any part thereof that is owned by CA.

**12. Third-Party Rental Agreements.** The Association shall not permit any third-party group, organization, entity, person, or individual to occupy any portion of the Facilities until such third-party group, organization, entity, person or individual has executed a written rental agreement with the Association (hereinafter a "Third-Party Rental Agreement(s)") that satisfies the following requirements:

- a. The terms and conditions of such Third-Party Rental Agreement are consistent with, and not in conflict with, the terms and conditions of this Agreement.
- b. All such Third-Party Rental Agreements shall be in a form approved by CA and shall contain the following provision: "This Agreement is subject to all the terms and conditions of the Facilities Management Agreement between **HICKORY RIDGE COMMUNITY ASSOCIATION, INC.** and Columbia Association Inc. dated\_\_\_\_\_."
- c. All Third-Party Rental Agreements must contain language to indemnify CA and the Association, and defend and save both entities harmless from and against any and all claims, liens, actions, damages, liabilities, and/or expense, including costs and attorney's fees, in connection with loss of life, bodily injury, personal injury and/or damage to property arising from or out of occupancy and/or use by a third party occasioned wholly or in part by any act or omission of a third party or their invitees, agents, servants, officers, contractors, employees, representatives or any other person participating in any way in activities related to or arising under the Third-Party Rental Agreement.
- d. The Association shall obtain and maintain records of either (1) third-party Certificates of Liability Insurance to be provided by the third-party lessees or (2) a tenant user liability insurance policy (TULIP) that the Association would purchase on behalf of third-party lessee. The Certificates or the TULIP policy, whichever is applicable, shall name Columbia Association, Inc., 6310 Hillside Court, Columbia MD 21046, and the Association as additional insureds. The Association shall submit to CA copies of all third-party Certificates of Liability Insurance prior to the third-party's occupancy of the Facilities. Certificates of insurance provided by third-party lessees shall evidence occurrence-based liability insurance throughout the contract period against any claim for bodily injury, personal injury, death, or property damage with limits not less than the following:
  - i. Homeowner/Resident Lessee – Three Hundred Thousand Dollars (\$300,000.00) annual aggregate.
  - ii. Commercial Business and Not-for-Profit Organization Lessees – Two Million Dollars (\$2,000,000.00) aggregate, One Million Dollars (\$1,000,000.00) per occurrence, Five Thousand Dollars (\$5,000.00) medical expenses.



- e. Any long-term Third-Party Rental Agreement requires prior approval by CA, which approval shall not be unreasonably withheld or delayed. For the purposes of this Agreement, a long-term Third-Party Rental Agreement is one in which the third-party lessee is to occupy the property on a continuous or intermittent basis for more than thirty (30) days from the time of first occupancy.

**13. Events.** When an event is to occur in the Facilities, whether hosted by the Association or a third party, the following additional terms and conditions apply:

- a. The maximum capacity of people who may be present in the Building(s) may not exceed the total building capacity numbers set by the Howard County Fire Marshal.
- b. If the event is hosted by a third party, the third party must have executed a Third-Party Rental Agreement meeting the requirements of Article I, Section 12 prior to the event. The Association shall obtain and submit to CA prior to the event evidence of the insurance coverage required by Article I, Section 12(d).
- c. The Association shall obtain and submit to CA copies of all third-party Certificates of Liability Insurance prior to the event or reports of each event as required under the TULIP policy, pursuant to Article I, Section 12(d).
- d. The Association shall be responsible for all crowd control, crowd management and security as needed during the contract term. The Association by contract may delegate such responsibility for a given event to the third-party lessee.
- e. All tents erected on the grounds must comply with all Fire and Rescue, Fire Prevention and Life Safety codes, and be subject to inspection by the Howard County Fire Marshal and any other applicable governing agencies. The Association is responsible for paying all required inspection and permit fees or may delegate such responsibility for a given event to the third-party lessee. The Association shall submit to CA's Director/Manager of Open Space Management, or his/her/their designee, copies of inspection certificates and/or permits.
- f. The Association shall submit written notice of an event to CA's Director/Manager of Open Space Management, or his/her/their designee:
  - i. Ten (10) days in advance of the event, if the event is hosted by a third party on the Grounds, as shown in Exhibit A; or
  - ii. Ninety (90) days in advance of the event, if the event is hosted by the Association on the Grounds, as shown in Exhibit A. If the Association provides less than ninety (90) days' notice, permission to use the grounds for the event shall be at CA's discretion. CA reserves the right to deny access to the Grounds for an event if another event or activity has already been scheduled on the Grounds on the same date.
- g. The Association shall cause to be removed from the Grounds all event signage, decorations, banners and advertisements, on the same day of the event at the end of the event, or as soon as practicable thereafter.
- h. The Association shall not permit the use of vehicles on the grounds without prior written consent from CA's Director/Manager of Open Space Management, or his/her/their designee.
- i. When alcoholic beverages are served by a caterer, the Association is responsible for obtaining

from the caterer written verification of its Liquor License, “Safe Serve” certification, certificates evidencing sufficient general liability insurance coverage and alcohol awareness training certification approved by the State of Maryland Comptroller, such as “TAM” (Techniques of Alcohol Management).

- j. Outdoor events must comply with all current and future applicable provisions of the Howard County Department of Fire & Rescue Services “Street Festivals, Carnivals, Fairs and Outdoor Events” guidelines.
- k. The Association shall use reasonable efforts to ensure that the Grounds are kept in a clean, orderly, and safe condition during and after each event. The Association shall return the Grounds to CA in this condition within 24 hours after each event, or as soon as practicable thereafter, weather and safety conditions permitting.
- l. The Association and/or third-party lessee must apply for a License Agreement from the CA Open Space Management Office for use of parking lot areas (other than for the parking of vehicles) or other open space areas outside of the Grounds depicted in Exhibit A. If the Association and/or third-party lessee’s use of the Grounds involves a third-party vendor (such as, without limitation, food trucks, caterers, entertainers, amusement ride or inflatable equipment operators or rentals, stage rentals or portable toilet rentals), the Association shall direct the third-party vendor to apply directly for a License Agreement from the CA Open Space Management Office.

**14. Resident Discount.** The rate or price charged for use of the Facilities or participation in the classes of the Association shall reflect a discount or differential for persons who work or reside on or own property subject to CA’s Annual Charge (as defined in CA’s Deed, Agreement and Declaration of Covenants, Easements, Charges and Liens).

**15. Improvements and Alterations.** The Association shall not make any structural changes or other permanent improvements, alterations, or modifications to the Facilities without first obtaining written approval from CA, which approval shall not be unreasonably withheld or delayed. CA shall respond to such requests within thirty (30) days. Such written approval shall be obtained from CA’s Director/Manager of Facilities Services for changes to the Buildings and from CA’s Director/Manager of Open Space Management for changes to the Grounds.

**16. Additional Services.** The Association may request from CA building maintenance services and additional open space grounds services beyond the routine maintenance described in Article I, Sections 4 and 5. Such requests shall be made on forms approved by CA, and the Association shall pay CA at the rate per half hour for such services that CA charges CA departments for construction and open space services. CA labor expended to render these additional services will be rounded to the nearest one-half hour. For the period from May 1, 2025, through April 30, 2026, the half-hourly rate shall be \$27.50. Beginning on May 1, 2026, and on or about May 1 of each year thereafter, the rate shall be updated by CA in accordance with CA’s then-current rate. The Association shall also reimburse CA for all annual Howard County Fire Marshal inspections. CA will provide documentation of such costs to the Association upon request.

**17. Trash and Debris Removal.** CA shall collect trash and debris after events at the Facilities at no charge only if such trash and debris are bagged appropriately in heavy duty, tied-off bags or stored by the Association in secure containers outside of the Building(s) to enable appropriate disposal by CA. The Association shall pay CA at the rates set forth in Article I, Section 16 for the collection and clean-up of trash and debris that are not bagged, tied off and stored in appropriate containers by the Association or third-party lessees. In addition, the Association shall pay CA at the rates set forth in Article I, Section 16 for the collection and clean-up of high-volume trash and debris that exceeds CA’s day-to-day trash and debris collection capacity

(e.g., trash and debris generated during large events). CA will notify the Association of any situation involving trash that is not appropriately bagged, tied off and/or stored or high-volume trash and debris exceeding CA's day-to-day collection capacity within one (1) business day after discovering same.

**18. Right of Entry by CA.** CA and its agents shall have the right to enter the Facilities to perform emergency maintenance at any time and without notice to the Association. Non-emergency maintenance or inspections will be coordinated in advance with the Association, with CA providing at least 48 hours' notice except in cases where such notice is not feasible. The Association agrees to provide CA with keys and security codes to the Facilities and to provide new keys or security codes to CA within 48 hours of any change and CA agrees to do the same. CA shall be responsible for fees incurred by the Association due to a CA employee or contractor setting off a false alarm at a Facility, unless due to the Association's failure to provide CA with the proper key or code. CA shall reimburse the Association for the cost of replacing a key lost by a CA employee or contractor within 15 days of receiving an invoice from the Association.

**19. Right to Inspect Books and Records.** Upon written notice, CA shall have the right to review the Association's books and records associated with the management and operation of the Facilities.

**20. Capital Expenditures.** CA shall be responsible for any capital expenditures within the Facilities necessary to comply with applicable law, except when such capital expenditures are a result of a programming change implemented by the Association. CA shall provide the Association with at least 60 days' notice and the opportunity to provide feedback before commencing any capital project that may significantly disrupt the Association's operations.

**21. Taxes.** CA shall pay all current real estate taxes assessed against the Facilities. The Association shall be responsible for completing all County, State, and Federal forms applicable to the Association.

**22. Property Insurance.** CA shall secure and maintain appropriate levels of property insurance for the Facilities, the cost of which shall be paid by CA.

**23. Utilities.** The Association shall pay the full amount of Howard County charges for water, sewer and gas usage at the Neighborhood Centers from October 1 through March 31 each year. From April 1 through September 30 of each year, the Association shall pay water, sewer and gas charges as set forth in Exhibit D. CA will provide copies of utility bills to the Association upon request.

**24. Facility Use Report.** The Association shall complete the Facility Use Report on the form attached as Exhibit E and return the completed form to CA within sixty (60) days of the end of the Association's fiscal year.

## **ARTICLE II: Insurance and Indemnification**

**1. General Liability.** The Association shall maintain, at its own cost and expense, during the term of this Agreement, general liability insurance against any claim for bodily injury, death and/or property damage in the amount of One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate. CA shall be named as an additional insured on such general liability policy.

**2. Tenant User Liability Insurance.** In the event that the Association elects not to require that third-party lessees provide certificates of liability insurance, the Association also shall maintain tenant user liability insurance covering third parties renting all or a portion of the Facilities against any claim for bodily injury, death and/or property damage in the amount of One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate. CA shall be named as an additional insured on such policy.

**3. Certificates of Insurance.** Certificates of Insurance evidencing the insurance coverages required under Sections 1 and 2 of this Article II shall be furnished to CA at the time of the execution of this Agreement and then annually for the term of this Agreement. All insurance policies required of the Association shall provide that CA be notified of any cancellation of the policy thirty (30) days prior to the date of cancellation.

**4. Long Term Lessees & Lessees Providing Childcare Services.** Any lessee under a long-term Third-Party Rental Agreement, as defined in Article I, Section 12(e), or any lessee providing childcare services shall be required to maintain public liability and property damage insurance in amounts of One Million Dollars (\$1,000,000) bodily injury/death and One Million Dollars (\$1,000,000) for property damage. CA as well as the Association shall be listed as additional insureds on such policies of insurance. Certificates of insurance verifying the required coverage shall be furnished to CA as well as the Association prior to execution of the Third-Party Rental Agreement, and the policies shall require that CA and the Association be given at least thirty (30) days' notice of cancellation. The provisions of this paragraph shall be incorporated into the terms of any Third-Party Rental Agreement between the Association and the lessee.

**5. Workers' Compensation.** The Association shall maintain and pay all costs associated with workers' compensation insurance that satisfies the requirements of the Maryland Workers' Compensation Law, Labor and Employment Article, Title 9, Annotated Code of Maryland.

**6. Review and Modification of Insurance Requirements.** CA may review the insurance requirements stated in this Agreement and Exhibit C and may increase or decrease the requirements regarding insurance coverage limits, as CA deems necessary. CA shall allow the Association a period of sixty (60) days from CA's written notification of the revised insurance requirements to procure the required insurance coverage limits.

**7. Indemnification by Association.** The Association covenants to save, defend, hold harmless and indemnify CA and its officers, directors, employees, agents and representatives from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and reasonable attorneys' fees), charges, liability or exposure, however caused, resulting from, arising out of, or in any way relating to (a) the Association's management and operation of the Facilities and the programs and services provided by the Association and its renters/lessees/invitees/licensees in the Facilities, and/or (b) the Association's performance or nonperformance of its obligations under this Agreement (including the exhibits hereto). This provision shall survive termination of this Agreement.

**8. Indemnification by CA.** CA covenants to save, defend, hold harmless and indemnify the Association and its officers, directors, employees, agents and representatives from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and reasonable attorneys' fees), charges, liability or exposure, however caused, resulting from or arising out of CA's performance or nonperformance of its obligations under this Agreement (including the exhibits hereto). This provision shall survive termination of this Agreement.

### **ARTICLE III: Term and Termination**

**1. Term.** The term of this Agreement shall begin on May 1, 2025, and run through April 30, 2028 (the "Term"), unless terminated earlier in accordance with the provisions of this Agreement or extended by mutual written consent of the parties hereto.

**2. Grant Agreement.** Notwithstanding Article III, Section 1, this Agreement shall not take effect until the parties execute a Grant Agreement to run contemporaneously with this Agreement.

**3. Termination.**

- a. Except as otherwise set forth herein, either party may, upon sixty (60) days' written notice, terminate this Agreement provided, however, that no such termination shall be effective unless approved by the terminating party's Board of Directors.
- b. If CA or the Association violates any term or provision of this Agreement and fails to cure said breach within twenty (20) days after receipt of written notice thereof, the non-breaching party shall have the right to terminate this Agreement, subject to the approval of its Board of Directors. Termination under this paragraph shall be effective twenty (20) days after the date of the non-breaching party's written notice of termination to the breaching party.
- c. The Association shall vacate the Facilities within thirty (30) days after the date of termination. Upon termination of this Agreement, the Association shall immediately turn over, assign, and relinquish to CA all records, books, accounts, unexpended funds from the Annual Charge Share Grant, documents, contracts, accounts receivable, accounts payable, payments due the Association under all outstanding leases, contracts, or agreements, and all other items associated with the management and operation of the Facilities. All finances shall be prorated to the date of termination.
- d. In the event of termination of this Agreement, CA will provide the Association free of charge with an office space for Association management and covenant enforcement activities and meeting space for officially sponsored Association Board of Directors meetings within the village the Association serves on a space- available basis.
- e. In the event of termination of this Agreement by either party, neither party shall be liable to the other, its agents or employees for any damages, injuries or liabilities that may result from said termination. However, CA shall assume any Third-Party Rental Agreement previously approved by CA and validly entered into by the Association under the terms of this Agreement.

**4. Suspension.** Notwithstanding any provision in this Article, if CA finds that the Association is acting in a manner that significantly impacts the property interests of CA, CA may re-enter the Facilities at any time and without notice and declare this Agreement formally suspended until such time as the Association provides reasonable protection for the Facilities or CA terminates the Agreement.

#### **ARTICLE IV: Property Rights**

**1. Trespass.** The Association is authorized to act on its own and as CA's agent to protect the Association's and CA's rights and interests to prevent trespassing. In exercising this authority, to the extent allowed by federal, state and local law and subject to the provisions of this Agreement, the Association may limit access to the Facilities by members of the public, may post the Facilities against trespassers for such areas and such times as the Association deems appropriate, and/or may determine who is or is not lawfully in or on the Facilities. In order to exercise the rights granted under this paragraph, the Association may:

- a. Identify itself as an agent of CA;
- b. Notify any person or persons that the Facilities are private;
- c. Request any person or persons not to enter or to depart from the Facilities; and
- d. Initiate prosecution against offending trespassers, if necessary, under appropriate provisions of the Annotated Code of Maryland and other applicable laws, rules, and regulations, pursuant to policies established by CA for the institution of legal proceedings.

**2. Banning Notices.** Should the Association wish to ban an individual from the Facilities, the Association shall contact CA's Office of General Counsel, who will complete and serve the required paperwork on the individual and file same with the Howard County Police Department.

**3. Authority of Village Manager.** The Association's Village Manager, or in his/her absence, the Chairperson of the Association's Board of Directors, shall have the authority to exercise the powers and rights granted under this Article.

#### **Article V: Miscellaneous**

**1. Assignment Prohibition.** The Association shall be prohibited from assigning or transferring any rights under this Agreement without the prior written consent of CA.

**2. Entire Agreement; Modifications; Waiver.** This Agreement represents the entire agreement between the parties with regard to facility management and supersedes all prior negotiations, representations and agreements, either written or oral. No change or modification of this Agreement shall be valid unless the same is in writing and signed by each party hereto. No purported or alleged waiver of any of the provisions of this Agreement shall be binding or effective, unless in writing and signed by the party against whom the waiver is sought to be enforced.

**3. Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Maryland.

**4. Severability.** If any provision of this Agreement is found to be invalid or unenforceable by any court of competent jurisdiction or governmental entity having such authority, the invalid or unenforceable provision shall not affect the other provisions of this Agreement and the provisions not affected shall remain in full force and effect.

**5. Notices.** All notices which may be given under Article III, Section 3 of this Agreement shall be delivered by: (i) hand delivery, (ii) overnight mail, or (iii) first-class mail and by certified mail, return receipt requested, to the mailing addresses set forth below, or to such other address or by other means as the parties may designate in writing:

Columbia Association, Inc.  
6310 Hillside Court  
Suite 100  
Columbia, MD 21046  
ATTN: Office of General Counsel

Hickory Ridge Community Association, Inc.  
6175 Sunny Spring  
Columbia, MD 21044  
ATTN: Village Manager

**6. Counterparts; Electronic Signatures.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., DocuSign, Adobe Sign) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

**7. Authority to Sign.** Each individual signing this Agreement on behalf of a party warrants that the individual has been duly authorized to execute this Agreement and to bind that party on whose behalf the individual is signing.

[Signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Facilities Management Agreement to be executed by their duly authorized officers on the day and year first above written.

WITNESS/ATTEST:

COLUMBIA ASSOCIATION, INC.

\_\_\_\_\_

By: \_\_\_\_\_  
Shawn MacInnes, President/CEO

WITNESS/ATTEST:

HICKORY RIDGE COMMUNITY ASSOCIATION, INC.

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



# Exhibit A

## May 2018

**Hawthorn Neighborhood Center**

6175 Sunny Spring

**ADJOINING OPEN SPACE GROUNDS**



Third Party Rental Area



Village Sponsored Events ONLY



## **Exhibit B**

### **PROHIBITED USES**

1. Any manufacturing facility;
2. Any retail or restaurant operation other than food trucks on-site for events;
3. Any mortuary or funeral parlor;
4. Any cannabis preparation, distribution or dispensary;
5. Any sale of alcoholic beverages for off-premises consumption;
6. Any use by an immoral or unlawful occupation, business or trade;
7. Any hazardous or dangerous use (such as, without limitation, use of weapons or high-risk recreational activities);
8. Any use which creates a nuisance;
9. Any use which violates any laws, ordinances, regulations or requirements relating to hazardous materials or substances; or
10. Any use which, in the reasonable judgment of CA, shall in any way impair the appearance or reputation of the Facilities.

## **EXHIBIT C**

### **FACILITY CAPITAL PROJECTS, REPAIRS AND MAINTENANCE**

#### **A. ILLUSTRATIVE EXAMPLES OF CAPITAL AND OPERATING EXPENDITURES**

1. Items that are generally capital in nature include: Roofing, HVAC and hot water systems, flooring such as hardwood, ceramic and luxury vinyl tile, large kitchen equipment, and lighting systems replacement for an entire space or building.
2. Items that are generally operating in nature include: interior and exterior painting, individual light fixture replacements, individual bathroom fixture replacements and handyman repairs such as drywall repair, door hardware replacement, and most repairs and maintenance tasks.

#### **B. CATEGORY II CAPITAL PROJECTS: MAJOR OR NON-RECURRING REINVESTMENT IN FACILITIES**

1. Projects in this category are defined as phased, non-recurring, or considered to be major re-investments in Facilities as well as all projects that are \$200,000 or greater. All such projects are specifically identified and approved by the CA Board of Directors as part of CA's budget process. Following budget approval, CA will be responsible for and will undertake and manage these capital projects.

#### **C. CATEGORY III CAPITAL PROJECTS: NON-MAJOR CAPITAL PROJECTS AND PERIODIC UPGRADES**

1. Projects in this category are for periodic maintenance and/or upgrades to Facilities including structural repairs/replacement or mechanical system repairs/replacement. These projects are defined as ones that replace the original item or improve or extend the useful life of the original item for two years or more and that involve an expenditure of at least \$2,500.
2. The Association shall not make any permanent improvements without CA's prior written consent. It is the responsibility of the Association to request Category III capital projects from CA for its Facilities. CA also may propose such capital projects.
3. All projects requested by the Association are reviewed by CA to assess the need and available capital budget funding for the project.
4. If CA approves a project, CA will be responsible for and will undertake and manage it.
5. CA will provide, annually, a list for the Association to track anticipated Category III projects.

#### **D. BUILDING MAINTENANCE AND REPAIRS (OPERATING EXPENDITURES)**

1. Except for assets, upgrades and improvements purchased or installed by the Association, CA accepts responsibility for maintenance of and repairs to building exteriors, with costs being borne by CA. The Association shall bear the cost of all



maintenance and repairs to assets, upgrades and improvements purchased or installed by the Association.

2. The Association accepts responsibility for maintenance of and repairs to building interiors including routine painting and drywall point-up, which are considered normal ongoing building upkeep. With respect to interior painting at the Village community center only, CA will reimburse the Association for 50% of the cost of painting once every five (5) years. The remaining 50% may be included as an adjustment on the Schedule to Compute Cash Reserves Limitation in the fiscal year prior to the expenditure (see Grant Agreement, Exhibit A-3). The Association must obtain CA's approval of the cost before the interior painting work is performed in order for the work to be eligible for reimbursement/inclusion as an adjustment. More frequent painting shall be at the Association's sole expense.
3. The Association's liability for interior repairs will not exceed \$2,000 per occurrence. However, should the Association be responsible for paying for multiple, similar repairs to a particular piece of equipment within a 12-month period that cumulatively exceeds \$2,000, CA will consider taking responsibility for payment for these repairs on a case-by-case basis.
4. Under no circumstances will Section D.3. above apply to repairs or maintenance needed as a result of inappropriate use of the facility or item.
5. For windows/glass/doors that provide interior/exterior views or egress into/out of the buildings, the Association's liability will not exceed \$2,000 per occurrence or \$6,000 cumulative per year.
6. If able and at the request of the Association, CA will repair Association-owned property and equipment in keeping with Article I, Section 16 of the Facilities Management Agreement.

#### **E. EQUIPMENT MAINTENANCE AND REPAIRS**

1. The Association accepts responsibility for payment of maintenance contracts for certain equipment to include CA-owned office and building equipment, fire extinguishers and fire suppression systems, fire and security alarm systems, and elevators.
2. In addition, the Association accepts responsibility for repairs to CA-owned interior equipment. See also, Section D, Items 3 and 4 above.
3. Repair and maintenance of building HVAC systems including but not limited to thermostats and duct runs are CA's responsibility. CA will maintain the building HVAC systems to the same standards and schedules as other CA buildings. The cost of HVAC maintenance, repair, and cleaning of duct systems shall be covered by CA.

#### **F. EMPLOYMENT OF CONTRACTORS FOR BUILDING REPAIR AND MAINTENANCE**

1. The Association may choose to retain an outside contractor other than a CA-approved contractor for building maintenance and repair work conditioned on the

Association's satisfaction of the following requirements:

- a. The insurance requirements set forth below must be met and certificates provided to CA prior to the contractor's commencement of any work.
- b. Written approval of the scope of work must be obtained from CA prior to the start of the work. Cleaning and janitorial contractors are exempt from this written scope of work requirement but the Association shall notify CA when such a contractor is selected and supply the required certificate of insurance as specified below under the subheading "Insurance Requirement for Association-Hired Contractors for Repairs and Maintenance".
- c. The Association takes full responsibility for payment of all costs of the work.
- d. The Association agrees to take on any warranty responsibilities for the work/repair going forward.
- e. The Association assumes responsibility for any ancillary work or damage that may result from the work by an outside contractor.
- f. The Association assumes all oversight and invoicing responsibility.

**G. Insurance Requirement for Association-Hired Contractors for Repairs and Maintenance**

1. The Contractor shall provide Certificates of Insurance evidencing the following insurance coverages and limits, and shall maintain such coverage and limits for the duration of the project:

Comprehensive/Broad Form General Liability Including Premises & Operations, Products & Completed Operations, Contractual Liability, Personal Injury, Broad Form Property Damage, XCU coverage.	\$1,000,000 each occurrence; \$2,000,000 aggregate (bodily injury & property damage)
Comprehensive Business Automobile Including owned, hired and non-owned vehicles	\$1,000,000 each person and each accident; \$500,000 for property damage each occurrence
Full Umbrella Liability	\$1,000,000 combined single limit
Worker's Compensation	statutory limits
Liability and auto policies shall name Columbia Association, Inc. as an additional insured, name the project, and provide that CA will receive from the insurer ten (10) days' written notice before any change, cancellation or modification of such policies become effective.	
A certificate of insurance is to be supplied to CA prior to work starting on the project.	

**Exhibit D**

**FACILITY UTILITY CHARGES**

<b>Village Association</b>	<b>Facility</b>	<b>Village portion of water and sewer during pool operations for the months April-September</b>	<b>Village portion of Gas during pool operations for the months April-September</b>
Dorsey's Search	Meeting Room/ Dorsey Hall Pool	\$80.00 per quarter	n/a
Harper's Choice	Longfellow NC/Pool	\$80.00 per quarter	n/a
Harper's Choice	Swansfield NC/Pool	\$80.00 per quarter	\$60.00 per month
Hickory Ridge	Hawthorn Center /Pool	\$80.00 per quarter	\$60.00 per month
Long Reach	Locust Park NC/Pool	\$80.00 per quarter	n/a
Oakland Mills	Stevens Forest NC/Pool	\$80.00 per quarter	\$60.00 per month
Oakland Mills	Thunder Hills NC/Pool	\$80.00 per quarter	n/a
Oakland Mills	Talbot Springs NC/Pool	\$80.00 per quarter	n/a
River Hill	River Hill Meeting Room/Pool	\$80.00 per quarter	n/a
Wilde Lake	Bryant Woods NC/Pool	\$80.00 per quarter	\$60.00 per month
Wilde Lake	Faulkner Ridge NC/Pool	\$80.00 per quarter	n/a
Wilde Lake	Running Brook NC/Pool	\$80.00 per quarter	n/a

**EXHIBIT E**

**FACILITY USE REPORT – SAMPLE**

Village:	
Fiscal Year:	
Date Prepared:	
Facility Name:	
<b>FACILITY USE REPORT COMPLETE SHADED CELLS</b>	
<b>Section 1:</b>	
<b>Usage Category</b>	<b>% of Total (Approximate)</b>
Village special events	20%
Ad hoc rentals (parties, community meetings, etc)	40%
Ongoing leases (church services, daycare, fitness classes, etc)	30%
Other (describe below)	10%
Shutdown for repairs and maintenance.	
<b>Total (check = 100%)</b>	<b>100%</b>
Used versus vacant leasable space (approximate). Ex: If, on average for the fiscal year, leaseable space in the building was 70% used and 30% unused, then enter "70/30".	80/20
<b>Section 2:</b>	
<b>Describe any significant usage changes from the previous year.</b>	
A None.	
<b>Describe any significant usage changes anticipated in the upcoming year.</b>	
B Planning to pilot a new summer camp program based out of XYZ building.	
<b>Other Comments:</b>	
C None.	

## **GRANT AGREEMENT**

This Grant Agreement (this “Agreement”) is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2025 by and between Columbia Association, Inc. (“CA”), a Maryland non-profit corporation having its address at 6310 Hillside Court, Suite 100, Columbia, MD 21046 and **Hickory Ridge Community Association, Inc.** (“Association”), a Maryland non-profit corporation having its address at 6175 Sunny Spring, Columbia, MD 21044.

WHEREAS, Grantor’s Board of Directors has in past years authorized an annual grant of funds by Grantor to the ten (10) village community associations of Columbia, Maryland, of which Grantee is a member, and anticipates authorizing annual grants of funds during the Term of this Agreement, as defined herein;

WHEREAS, the ten (10) village community associations have agreed to divide the grant funds among themselves according to an allocation formula which shall be developed by them and provided to Grantor (the “Formula”);

WHEREAS, pursuant to the Formula, the Association will receive a grant amount to be paid in quarterly installments during Grantor’s fiscal year, (payments during the term of this Agreement which shall be referred to as the “Annual Charge Share Grant”);

WHEREAS, it is the parties’ intention that this Agreement shall govern said payments of Annual Charge Share Grant for the term of this Agreement, as defined herein.

NOW, THEREFORE, for and in consideration of the foregoing recitals, which are deemed to be a substantive and material part of this grant agreement and the mutual promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

### **Article I: Budget, Financial Reporting, and Financial Management**

1. The Association shall submit to CA by May 1 of each year of the Term, annual operating and capital budgets for the fiscal year signed by the Chairperson or their designee on behalf of the Association Board of Directors (hereinafter described and referred to as the “Budget”). The Budget should be on the form reflected in the attached as Exhibit A-2. All Budgets shall reflect a breakeven or increase in net assets, demonstrating fiscal responsibility and financial control.

2. The Association shall provide standardized financial reports to CA in accordance with the appropriate schedules as set forth in Exhibit A attached hereto and made a part hereof or in such other form as CA from time to time may require. The reporting shall be on the form reflected in the attached Exhibit A-2. Any request for an extension of the reporting deadlines shall be communicated to CA’s President/CEO and Director of Audit and Advisory Services prior to the respective deadline.

3. CA may reject the Budget submitted by the Association for any of the following reasons:

- a. The Budget is not in the form set forth in Exhibit A.
- b. The Budget, or any portion thereof, violates the terms of this Agreement.
- c. The Budget is not approved by the Association's Board of Directors.



d. The income or expenses set forth in the Budget are unreasonable based on historical data and current market conditions.

4. If the Budget is rejected, CA shall notify the Association no later than thirty (30) days after the Budget is submitted to CA. The Association shall then be required to resubmit its budget within thirty (30) days of receipt of CA's notification. If the Association fails to submit a budget that complies with this Agreement, CA may terminate the Agreement upon ninety (90) days written notice to the Association. If during the term of this Agreement, the Association's revenues or expenditures cause a variance of any summary line item compared to the Budget (except for Line 1 - CA Annual Charge Share Grant) by 25% or more and at least \$500, the Association shall submit to CA a written explanation that has been approved by the Association's Board of Directors. If the Association's activities cause a variance as compared to the Budget of any amount in Line 1 (CA Annual Charge Share Grant), the Association shall submit to CA a written explanation that has been approved by the Association's Board of Directors. Variance explanations shall be submitted together with the quarterly financial statements referenced to in paragraph 8 below.

5. If donations are made by the Association, the recipient and amount donated shall be submitted with the financial statements.

6. Any modifications made by the Association's Board of Directors to a previously- accepted budget shall be furnished to CA and are subject to the provisions stated in paragraphs 3 and 4 above.

7. CA and the Association agree that all surplus operating funds remaining at the end of any fiscal year shall be handled in conformance with Schedule to Compute Cash Reserves Exhibit A-3.

8. The books and records of the Association used in implementation of this Agreement shall be kept in accordance with agreed upon accounting practices. The Association shall submit to CA quarterly financial statements and related reports approved and signed by the Association Board Chairperson in accordance with the schedules set forth in Exhibit A-1. The Association shall submit the quarterly financial statements and related reports to CA within forty-five (45) days after the close of the quarter. The fiscal year-end financial statements shall be submitted to CA no later than sixty (60) days after the close of the fiscal year and must be prepared in accordance with Generally Accepted Accounting Principles (GAAP), except for notes to the financial statements which do not have to comply with GAAP. CA shall provide the Association with either a letter accepting the quarterly financial statements and reports or requesting more information within forty-five (45) days of receiving the reports. In the event the Board of Directors of the Association becomes aware of an error or irregularity within the financial statements, the Association shall provide CA with written notice of such error or irregularity and a plan to correct same within thirty (30) days after the Association's Board makes such a discovery. If the Association fails to correct such errors or irregularities within said 30-day period, CA may terminate this agreement upon ninety (90) days' written notice to the Association.

9. CA reserves the right to evaluate the adequacy of the Association's internal control structure over its financial operations. CA may, with written notice, at its expense and discretion, conduct an audit or otherwise evaluate the books, records and/or internal controls of the Association kept in implementation and performance of this Agreement. In such an event, the Association shall furnish CA's designated auditor with all information needed for the assessment. A copy of the completed audit report shall be furnished to the Association.

10. If, upon review by CA of the quarterly reports or audit/evaluation described in Article I paragraphs (8), (9), and (12) CA determines, in its sole discretion, that the Association's internal controls are not adequate, CA shall provide the Association with written notice of the inadequacies and allow the Association thirty (30) days to respond in writing with a plan to correct such inadequacies. Within thirty (30) days after responding to CA, the Association shall correct the inadequacies by implementing the necessary procedures for internal controls. If the Association fails to correct such inadequacies within such 30-day period, CA may terminate this agreement upon ninety (90) days written notice to the Association or withhold or reduce payment of the Annual Charge Share Grant as CA, in its sole discretion, deems appropriate.

11. If upon review of the quarterly reports or audit/evaluation described in Article I paragraphs (8), and (9), and (12) CA determines, in its sole discretion, that the Budget as approved has not been faithfully implemented, CA may terminate this contract upon ninety (90) days written notice to the Association.

12. The Association shall hire an independent auditor to perform a financial statement audit at least once every three (3) years. If the independent auditor does not issue an unmodified ("clean") opinion of the financial statements, the Association must have an independent audit performed the following year at the Association's expense. In non-audit years, the Association shall hire an independent auditor to perform a financial statement review. Upon completion of the financial statement review including receipt of reports and letters per Section 13 below, CA will reimburse the Association for all reasonable fees charged by the independent auditor.

13. Audits and reviews shall be completed no later than 120 days after the close of the fiscal year. The completed audit and review reports and associated letters (e.g., the auditor's governance letter and communication on internal controls), or written explanation for the delay provided by the Association's Board of Directors, shall be provided to CA within fifteen (15) days of the reports and letters being accepted by the Association's Board of Directors. If the Association receives a letter on internal controls from the external auditor from either an audit or review, it shall, within thirty (30) days of receipt of such letter, provide a written response to CA describing how and when the deficiencies will be corrected. If material weaknesses in internal controls are reported by the independent auditors and CA determines that the Association's written response to CA is unsatisfactory, CA may, in its sole discretion, require the Association to have an independent audit performed the following year at the Association's expense.

14. The Association shall maintain an Association-Board approved Investment Policy.

15. The Annual Charge Share Grant shall be paid to the Association by CA in four equal quarterly installments electronically deposited into the Association's designated account prior to the beginning of each quarter.

## **Article II: Association Employees**

1. In the event that the Association's Board of Directors desires to permit its staff to participate in CA's multiple employer 401(k) Incentive Savings Plan and/or the CA Employee Welfare and Fringe Benefit Plan, the Association's Board of Directors shall adopt the terms and conditions of said plan(s). If the Association is found to be out of compliance with either or both of these plans, CA, in its sole discretion, may terminate the Association's participation in the plan(s).

2. It is understood that a portion of the Annual Charge Share Grant funded by CA covers costs associated with Association staff salaries, taxes and benefits. Any necessary additional funding requested by the Association to provide the Association's employees with benefits reasonably comparable to those provided to CA employees will be considered by the CA Board of Directors as part of its budget process. The annual benefits funding amount effective May 1 per fiscal year shall be based on Association benefit-eligible staff positions as follows. For existing benefit-eligible Association staff, the funding amount will be based on their registration as of the preceding Fall CA Open Enrollment period and shall be calculated annually on that basis. For vacant or anticipated, benefit-eligible Association positions at the time of CA's Fall Open Enrollment Period that the Association makes known to CA prior to the beginning of the new fiscal year, the benefits amount will be estimated and paid using the same coverage assumptions CA uses for its vacant, benefit-eligible positions. If there are changes in Association benefit-eligible employee status or plan participation in between annual Fall calculations, the Association shall be responsible for the first six months of increased cost. Should the actual benefits cost be less than the CA-funded amount, the excess must be returned to CA. Annually, CA will compare actual benefits cost to the amount funded for each Association for the prior fiscal year and will include the net difference in the next quarterly annual share payment as either an addition or deduction as appropriate. Notwithstanding the foregoing, it is further understood that the Association's employees are not employees of CA, and CA does not exercise any control over the hiring, supervision, treatment, compensation or termination of the Association's employees, nor does CA maintain any personnel records with respect to the Association's employees. The Association shall be wholly responsible for complying with all applicable federal, state and local employment and tax laws, rules and regulations as regards its employees.

### **Article III: Term and Termination**

1. **Term.** The term of this Agreement shall begin on May 1, 2025, and run through April 30, 2028 (the "Term"), unless terminated earlier in accordance with the provisions of this Agreement or extended by mutual written consent of the parties hereto.

2. **Facilities Management Agreement.** Notwithstanding Article III, Section 1, this Agreement shall not take effect until the parties execute a Facilities Management Agreement to run contemporaneously with this Agreement.

3. **Termination.**

- a. Except as herein set forth, either party may, upon sixty (60) days' written notice, terminate this Agreement provided, however, that no such termination shall be effective unless approved by the terminating party's Board of Directors.
- b. Except as set forth in Article I paragraphs 8, 10 and 11, if CA or the Association violates any term or provision of this Agreement and fails to cure said breach within twenty (20) days after receipt of written notice thereof, the non-breaching party shall have the right to terminate this Agreement, subject to the approval of its Board of Directors. Termination under this paragraph shall be effective twenty (20) days after the date of the non-breaching party's written notice of termination to the breaching party. Termination pursuant to Article I paragraphs 6, 8 and 9 shall be governed by the provisions of those paragraphs.

- c. In no event shall CA be entitled to any Association surpluses in the event of termination of this Agreement other than the excess cash reserve as calculated in Exhibit A-3: Schedule to Compute Cash Reserves Limitation nor shall CA be liable for deficits incurred by the Association.
- d. In the event of termination of this Agreement by either party, neither party shall be liable to the other, its agents or employees for any damages, injuries or liabilities that may result from said termination.

#### **Article IV: Miscellaneous**

1. **Fiduciary Responsibilities.** The Association shall provide to CA a written acknowledgement from each member of its Board of Directors for his/her term of office (including ex-officio members) acknowledging his/her understanding of the fiduciary responsibilities of the Association's Board of Directors. It is the responsibility of each member of the Board of Directors to establish and follow legally sound policies and internal controls, which include review and oversight of the annual budget, quarterly financial statements and related reports. A sample form of this acknowledgement is attached hereto as Exhibit B and made a part hereof.

2. **Formula.** The Association acknowledges and agrees that if the ten (10) village community associations fail to develop a new Formula and/or fail to provide same to CA on or before January 31, 2026, the Association's Annual Charge Share Grant will be calculated based on the formula in effect as of May 1, 2025 (which is the same formula that has been in effect for FY25). Any new formula developed pursuant to this section will become effective in FY27.

3. **Assignment Prohibition.** This Association shall be prohibited from assigning or transferring any rights under this Agreement without the prior written consent of CA.

4. **Entire Agreement; Modifications; Waiver.** This Agreement represents the entire agreement between the parties and supersedes all prior negotiations, representations and agreements, either written or oral. No change or modification of this Agreement shall be valid unless the same is in writing and signed by each party hereto. No purported or alleged waiver of any of the provisions of this Agreement shall be binding or effective, unless in writing and signed by the party against whom the waiver is sought to be enforced.

5. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Maryland.

6. **Indemnification.** The Association covenants to save, defend, hold harmless and indemnify CA and its officers, directors, employees, agents and representatives from and against any and all claims, losses, damages, injuries, fines, penalties, costs (including court costs and reasonable attorney's fees), charges, liability, or exposure, however caused, resulting from, arising out of, or in any way relating to (a) Association's performance or nonperformance of its obligations under this Agreement and/or (b) Association's expenditure of the grant funds. This provision shall survive termination of this Agreement.

7. **Severability.** If any provision of this Agreement is found to be invalid or unenforceable by any court of competent jurisdiction or governmental entity having such authority, the invalid or

unenforceable provision shall not affect the other provisions of this Agreement and the provisions not affected shall remain in full force and effect.

8. **Notices.** All notices which may be given under this Agreement shall be delivered by: (i) hand delivery, (ii) overnight mail, or (iii) first-class mail and by certified mail, return receipt requested, to the mailing addresses set forth below, or to such other address or by other means as the parties may designate in writing:

Columbia Association, Inc.  
6310 Hillside Court  
Suite 100  
Columbia, MD 21046  
ATTN: Office of General Counsel

Hickory Ridge Community Association, Inc.  
6175 Sunny Spring  
Columbia, MD 21044  
ATTN: Village Manager

9. **Counterparts; Electronic Signatures.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., DocuSign, Adobe Sign) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

10. **Authority to Sign.** Each individual signing this Agreement on behalf of a party warrants that the individual has been duly authorized to execute this Agreement and to bind that party on whose behalf the individual is signing.

[Signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Grant Agreement to be executed by their duly authorized officers on the day and year first above written.

WITNESS/ATTEST:

COLUMBIA ASSOCIATION, INC.

\_\_\_\_\_

By: \_\_\_\_\_  
Shawn MacInnes, President/CEO

WITNESS/ATTEST:

HICKORY RIDGE COMMUNITY ASSOCIATION, INC.

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT A-1

### SUMMARY OF REPORTING REQUIREMENTS

Report Name	Deadline for Submission to CA
Board Approved Operating Budget Board Approved Capital Budget	Annually, before the fiscal year begins.
Budget Spreadsheet by Quarter	Annually, with the 1 <sup>st</sup> quarter financial statements
<ul style="list-style-type: none"> <li>• Statements of Financial Position</li> <li>• Summary Statements of Activities</li> <li>• Detailed Statements of Activities</li> </ul> <i>(1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> quarters)</i>	Within 45 days of the close of each applicable quarter.
<ul style="list-style-type: none"> <li>• Statements of Financial Position</li> <li>• Summary Statements of Activities</li> <li>• Detailed Statements of Activities</li> <li>• Schedule A</li> <li>• Schedule to Compute Cash Reserves Limitation</li> <li>• Facility Use Report (per Facilities Management Agreement, Article I Paragraph 24)</li> </ul> <i>(4<sup>th</sup> quarter)</i>	Within 60 days of the close of the fiscal year.
Financial statement, audits, reviews and auditor's letters/communications	Within 15 days after acceptance by the Association's Board of Directors

Village:   
 Fiscal Year:   
 Date Prepared:

**BOARD APPROVED OPERATING BUDGET**

	Budget 0	Budget	Estimate 0	Budget Variance 0 to 0 \$ %		Current Year Est vs. Next Year Budget \$ %	
<b>REVENUES</b>							
1 CA Annual Charge Share Grant	0	0	0	0	#DIV/0!	0	#DIV/0!
A. CA Base Annual Charge Share Grant							
B. CA Medical Reimbursement							
C. Other CA Reimbursement							
D. Payment to CA for excess cash reserves							
2 Lease & Rental	0	0	0	0	#DIV/0!	0	#DIV/0!
A. Room Rentals							
B. Leases							
C. Retained Deposits							
3 Tuition & Enrollment	0	0	0	0	#DIV/0!	0	#DIV/0!
A. Classes							
B. Camps							
C. Other							
4 Interest				0	#DIV/0!	0	#DIV/0!
5 Special Events				0	#DIV/0!	0	#DIV/0!
6 Fees	0	0	0	0	#DIV/0!	0	#DIV/0!
A. Copier							
B. Late Fees							
C. Postage							
D. Notary							
E. Other							
7 Miscellaneous	0	0	0	0	#DIV/0!	0	#DIV/0!
A. Sales							
B. Newsletter Ads							
C. Catering/Food Service							
D. Other							
8 Gain/loss on Disposal of Asset				0	#DIV/0!	0	#DIV/0!
<b>Total Income</b>	0	0	0	0	#DIV/0!	0	#DIV/0!



**BOARD APPROVED OPERATING BUDGET**

	Budget 0	Budget 0	Estimate 0	Budget Variance 0 to 0 \$ %		Current Year Est vs. Next Year Budget \$ %	
<b>EXPENSES</b>							
9 Staff Salaries				0	#DIV/0!	0	#DIV/0!
10 Janitorial Wages				0	#DIV/0!	0	#DIV/0!
11 Contract Labor				0	#DIV/0!	0	#DIV/0!
12 Payroll Benefits				0	#DIV/0!	0	#DIV/0!
13 Payroll Taxes				0	#DIV/0!	0	#DIV/0!
14 Janitorial Expense	0	0	0	0	#DIV/0!	0	#DIV/0!
A. Cleaning Service							
B. Setup & Breakdown							
C. Floors, Carpets and Windows							
D. Supplies							
15 Fees	0	0	0	0	#DIV/0!	0	#DIV/0!
A. Accounting							
B. Legal							
C. Performance							
D. Audit							
E. Web							
F. Payroll							
G. Other							
16 Operating Expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
A. Office Supplies							
B. Program Supplies							
C. Cost of Sales (e.g. HOA documents, tent rental)							
D. Postage							
E. Staff Development							
F. Catering/Food Service							
G. Other							
17 Business Expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
A. Mileage							
B. Food (Business Meals)							
C. Other							
18 Insurance				0	#DIV/0!	0	#DIV/0!
19 Advertising				0	#DIV/0!	0	#DIV/0!
20 Newsletter				0	#DIV/0!	0	#DIV/0!
21 Other Printing				0	#DIV/0!	0	#DIV/0!
22 Donations/Contributions				0	#DIV/0!	0	#DIV/0!
23 Special Events				0	#DIV/0!	0	#DIV/0!
24 Taxes				0	#DIV/0!	0	#DIV/0!
25 Utilities	0	0	0	0	#DIV/0!	0	#DIV/0!
A. Gas & Electric							
B. Water & Sewer							
C. Telephone							
26 Repairs & Maintenance	0	0	0	0	#DIV/0!	0	#DIV/0!
A. Building							
B. Equipment							
C. Rental							
D. Vandalism							
E. Other							
27 Furniture, Fixtures and Equipment				0	#DIV/0!	0	#DIV/0!
28 <b>Total Expenses Before Depreciation</b>	0	0	0	0	#DIV/0!	0	#DIV/0!
29 Depreciation				0	#DIV/0!	0	#DIV/0!
30 <b>Total Expenses</b>	0	0	0	0	#DIV/0!	0	#DIV/0!
<b>Increase/(Decrease) in Unrestricted Net Assets</b>	0	0	0	0	#DIV/0!	0	#DIV/0!

Village:  
Fiscal Year:  
Date Prepared:

# OPERATING BUDGET SPREADSHEET BY QUARTER

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual Budget
	0	0	0	0	0
<b>REVENUES</b>					
1 CA Annual Charge Share Grant	0	0	0	0	0
A. CA Base Annual Charge Share Grant					0
B. CA Medical Reimbursement					0
C. Other CA Reimbursement					0
D. Payment to CA for excess cash reserves					0
2 Lease & Rental	0	0	0	0	0
A. Room Rentals					0
B. Leases					0
C. Retained Deposits					0
3 Tuition & Enrollment	0	0	0	0	0
A. Classes					0
B. Camps					0
C. Other					0
4 Interest					0
5 Special Events					0
6 Fees	0	0	0	0	0
A. Copier					0
B. Late Fees					0
C. Postage					0
D. Notary					0
E. Other					0
7 Miscellaneous	0	0	0	0	0
A. Sales					0
B. Newsletter Ads					0
C. Catering/Food Service					0
D. Other					0
8 Gain/loss on Disposal of Asset					0
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# BUDGET SPREADSHEET BY QUARTER

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual Budget
	0	0	0	0	0
<b>EXPENSES</b>					
9 Staff Salaries					0
10 Janitorial Wages					0
11 Contract Labor					0
12 Payroll Benefits					0
13 Payroll Taxes					0
14 Janitorial Expense	0	0	0	0	0
A. Cleaning Service					0
B. Setup & Breakdown					0
C. Floors, Carpets and Windows					0
D. Supplies					0
15 Fees	0	0	0	0	0
A. Accounting					0
B. Legal					0
C. Performance					0
D. Audit					0
E. Web					0
F. Payroll					0
G. Other					0
16 Operating Expenses	0	0	0	0	0
A. Office Supplies					0
B. Program Supplies					0
C. Cost of Sales (e.g. HOA documents, tent rental)					0
D. Postage					0
E. Staff Development					0
F. Catering/Food Service					0
G. Other					0
17 Business Expenses	0	0	0	0	0
A. Mileage					0
B. Food (Business Meals)					0
C. Other					0
18 Insurance					0
19 Advertising					0
20 Newsletter					0
21 Other Printing					0
22 Donations/Contributions					0
23 Special Events					0
24 Taxes					0
25 Utilities	0	0	0	0	0
A. Gas & Electric					0
B. Water & Sewer					0
C. Telephone					0
26 Repairs & Maintenance	0	0	0	0	0
A. Building					0
B. Equipment					0
C. Rental					0
D. Vandalism					0
E. Other					0
27 Furniture, Fixtures and Equipment					0
28 <b>Total Expenses Before Depreciation</b>	0	0	0	0	0
29 Depreciation					0
30 <b>Total Expenses</b>	0	0	0	0	0
<b>Increase/(Decrease) in Unrestricted Net Assets</b>	0	0	0	0	0

Village:  
Fiscal Year:  
Date Prepared:

BOARD APPROVED CAPITAL BUDGET

	Project Description	Total Budget
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
	Total	0

Village:   
 Fiscal Year:   
 Quarter:   
 Date Prepared:

DETAILED STATEMENTS OF ACTIVITIES

	Actual Quarter	YTD Actual	YTD Budget	Variance	YTD Prior Year	Prior Quarter YTD
<b>REVENUES</b>						
1 CA Annual Charge Share Grant	0	0	0	0	0	0
A. CA Base Annual Charge Share Grant		0	0	0		
B. CA Medical Reimbursement		0	0	0		
C. Other CA Reimbursement		0	0	0		
D. Payment to CA for excess cash reserves		0	0	0		
2 Lease & Rental	0	0	0	0	0	0
A. Room Rentals		0	0	0		
B. Leases		0	0	0		
C. Retained Deposits		0	0	0		
3 Tuition & Enrollment	0	0	0	0	0	0
A. Classes		0	0	0		
B. Camps		0	0	0		
C. Other		0	0	0		
4 Interest		0	0	0		
5 Special Events		0	0	0		
6 Fees	0	0	0	0	0	0
A. Copier		0	0	0		
B. Late Fees		0	0	0		
C. Postage		0	0	0		
D. Notary		0	0	0		
E. Other		0	0	0		
7 Miscellaneous	0	0	0	0	0	0
A. Sales		0	0	0		
B. Newsletter Ads		0	0	0		
C. Catering/Food Service		0	0	0		
D. Other		0	0	0		
8 Gain/loss on Disposal of Asset		0	0	0		
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**DETAILED STATEMENTS OF ACTIVITIES**

	Actual Quarter	YTD Actual	YTD Budget	Variance	YTD Prior Year	Prior Quarter YTD
<b><u>EXPENSES</u></b>						
9 Staff Salaries		0	0	0		
10 Janitorial Wages		0	0	0		
11 Contract Labor		0	0	0		
12 Payroll Benefits		0	0	0		
13 Payroll Taxes		0	0	0		
14 Janitorial Expense	0	0	0	0	0	0
A. Cleaning Service		0	0	0		
B. Setup & Breakdown		0	0	0		
C. Floors, Carpets and Windows		0	0	0		
D. Supplies		0	0	0		
15 Fees	0	0	0	0	0	0
A. Accounting		0	0	0		
B. Legal		0	0	0		
C. Performance		0	0	0		
D. Audit		0	0	0		
E. Web		0	0	0		
F. Payroll		0	0	0		
G. Other		0	0	0		
16 Operating Expenses	0	0	0	0	0	0
A. Office Supplies		0	0	0		
B. Program Supplies		0	0	0		
C. Cost of Sales (e.g. HOA documents, tent rental)		0	0	0		
D. Postage		0	0	0		
E. Staff Development		0	0	0		
F. Catering/Food Service		0	0	0		
G. Other		0	0	0		
17 Business Expenses	0	0	0	0	0	0
A. Mileage		0	0	0		
B. Food (Business Meals)		0	0	0		
C. Other		0	0	0		
18 Insurance		0	0	0		
19 Advertising		0	0	0		
20 Newsletter		0	0	0		
21 Other Printing		0	0	0		
22 Donations/Contributions		0	0	0		
23 Special Events		0	0	0		
24 Taxes		0	0	0		
25 Utilities	0	0	0	0	0	0
A. Gas & Electric		0	0	0		
B. Water & Sewer		0	0	0		
C. Telephone		0	0	0		
26 Repairs & Maintenance	0	0	0	0	0	0
A. Building		0	0	0		
B. Equipment		0	0	0		
C. Rental		0	0	0		
D. Vandalism		0	0	0		
E. Other		0	0	0		
27 Furniture, Fixtures and Equipment		0	0	0		
28 <b>Total Expenses Before Depreciation</b>	0	0	0	0	0	0
29 Depreciation		0	0	0		
30 <b>Total Expenses</b>	0	0	0	0	0	0
<b>Increase/(Decrease) in Unrestricted Net Assets</b>	0	0	0	0	0	0

Village: 0  
Fiscal Year: 0  
Quarter: 0  
Date Prepared: 0-Jan-00

## STATEMENTS OF FINANCIAL POSITION

	<u>0</u>	<u>FY24</u>	<u>Variance</u>
<b>ASSETS</b>			
CASH AT END OF PERIOD:			
Cash (Petty Cash)			0
Cash (Checking Accounts)			0
Cash (Savings Accounts)			0
Short term investments			0
Total Cash and Investments	<u>0</u>	<u>0</u>	<u>0</u>
Accounts Receivable			0
Loan Receivable			0
Prepaid Expenses			0
Inventory			0
Other Current Assets	<u>0</u>	<u>0</u>	<u>0</u>
Furniture, Fixtures and Leasehold Improvements			0
Accumulated Depreciation			0
Net Furniture and Fixtures	<u>0</u>	<u>0</u>	<u>0</u>
OTHER ASSETS:			
Right of use asset, operating lease			0
			0
Total Other Assets	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>0</u>	<u>0</u>	<u>0</u>
<b>LIABILITIES AND NET ASSETS</b>			
Accounts Payable			0
Amount Payable to CA for excess cash reserves			0
Security Deposits			0
Sales Tax			0
Deferred Revenue - CA			0
Deferred Revenue - Other			0
Accrued Liabilities - Payroll			0
Accrued Liabilities - Other			0
Long Term Debt Due Within 1 Year			0
Lease liability - current			0
			0
			0
Subtotal - Short Term Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Long Term Debt Due After 1 Year			0
Lease liability - non-current			0
			0
Subtotal - Long Term Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Unrestricted Net Assets:			
Beginning of year			0
Increase/(Decrease) in Unrestricted Net Assets for Year	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets - Year-to-Date	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES & NET ASSETS	<u>0</u>	<u>0</u>	<u>0</u>

## SCHEDULE TO COMPUTE CASH RESERVES LIMITATION

1)	Fiscal Year Expenses (exclusive of Depreciation)		0
2)	Percentage Calculation *	x	0.20
3)	<b>Operating Reserve</b>		<u>0</u>
4)	Village Association Cash and Investment Accounts:		<u>0</u>
5)	Adjustments		
	Accounts Payable	(+)	<u>0</u>
	Security Deposits	(+)	<u>0</u>
	Sales Tax	(+)	<u>0</u>
	Deferred Revenue - CA	(+)	<u>0</u>
	Deferred Revenue - Other	(+)	<u>0</u>
	Accrued Liabilites - Payroll	(+)	<u>0</u>
	Accrued Liabilites - Other	(+)	<u>0</u>
	Accounts Receivable	(--)	<u>0</u>
	Prepaid Expenses	(--)	<u>0</u>
		(--)	<u></u>
		(--)	<u></u>
		(+)	<u></u>
		(+)	<u></u>
	Returned Village Contingency Funds	(+)	<u>30,364</u>
	Total Adjustments		<u>30,364</u>
6)	Reserve Account (line 4 minus line 5)		<u>(30,364)</u>
7)	Excess Cash Reserves (line 6 minus line 3)		<u>0</u>
8)	Audit fee allowance **		<u></u>
9)	Unspent grants		<u></u>
10)	<b>Remittance amounts (Line 7 minus line 8)</b>		<u>0</u>

\* Reserves (adjusted cash & investments) at the end of the fiscal year shall not exceed 20% of annual expenses exclusive of depreciation.

\*\* Only applicable if an audit is conducted once every three years. If the adjustment is applicable, enter 1/3 of anticipated audit fee in Year 1; 2/3 of anticipated audit fee in Year 2; and \$0 in Year 3 (the year the audit is conducted).



**Exhibit A-4**  
**KEY TO SUMMARY/DETAILED STATEMENTS OF**  
**ACTIVITIES**

**REVENUE**

CA Annual Charge Share Grant:	Represents the annual payment received from CA by the Associations. Any payment of excess cash reserves should be recorded in this category. It also includes medical benefits and other funds received from CA by the Association, i.e., CA membership benefit reimbursement.
Lease and Rental:	Income from renting buildings and facilities or equipment. Included in this category are room rentals, leases and retained security deposits that are not reimbursable. Any expenses associated with damages should be expensed to Repairs and Maintenance.
Tuition and Enrollment:	Income from programs such as classes and camps. All refunds related to tuition and enrollment should also be applied to tuition and enrollment.
Interest:	Interest earned on cash or investments.
Special Events:	Income from special events including but not limited to dances, bingo, performances, seminars, fairs, and event tickets.
Fees:	Income earned from use of copiers, postage, notary fees, returned check fees, late fees and any other fees (fax services, etc.).
Miscellaneous	Sales (HOA, maps, clothing, mugs, etc.), newsletter advertising, catering/food service, and other miscellaneous items (soda machine, etc.).
Gain/loss on Disposal of Asset:	Income or loss from the disposal of fixed assets.

**EXPENSES**

Staff Salaries:	Wages paid to Association employees. Salary expenses include regular pay, vacation leave, sick leave, personal leave, bonus, commissions and overtime.
Janitorial Wages:	Includes personnel wages paid to janitors on the payroll (Association employees) and contractors. Janitorial Wages expenses include regular pay, vacation leave, sick leave, personal leave, bonus, commissions and overtime.
Contract Labor:	Represents the costs paid for contractual services to supplement the Association's workforce. Costs may include instructors and security guard contracts.

Payroll Benefits:	The Association's portion of benefits paid on behalf of employees. This includes workers' compensation, retirement plan, medical insurance, life insurance and short and long-term disability insurance.
Payroll Taxes:	The costs of Association's Portion of social security, Medicare, and Federal and State unemployment taxes for Village employees.
Janitorial Expense:	This category includes set-up and breakdown expenses, cleaning services, special cleaning of floors, carpets and windows, recycling fees, and cleaning supplies. Janitors on the Association's Payroll should include the payroll costs in Janitorial Wages.
Fees:	Includes legal fees, accounting fees, consulting fees, audit fees, all web fees and upgrades, association memberships, payroll processing fees, and performance fees for non-special events.
Operating Expenses:	This category includes such items as: office supplies, program supplies, cost of sales (e.g. HOA information and documents, tent rentals), postage, staff development, credit card fees, catering/food service, and other operating expenses.
Business Expenses:	Includes costs for mileage, business meals, and any other business-related expenses for Association Board members.
Insurance:	The costs of Association insurance policies.
Advertising:	The costs of all Association advertising.
Newsletter:	The costs and production of Association newsletters. Cost includes printing, layout, distribution, etc.
Other Printing:	Printing costs (except for those identified in other categories) such as business forms, contracts, door hangers, etc.
Donations/Contributions:	Includes any donations and/or contributions made by the Association.
Special Events:	Expenses from special events including but not limited to dances, bingo, volunteer/newcomer parties, performances and fairs, special event advertising, and costs of tickets. Expenses associated with special events.
Taxes:	Includes the taxes paid on personal property (equipment or furnishings) by the Association.
Utilities:	Represents the costs of gas and electric expenses, water and sewer charges and telephone costs (including monthly internet access).
Repairs and Maintenance:	Includes parts, supplies, materials and labor (if work performed by an outside contractor) to repair or maintain the community buildings and/or Village assets. This includes maintenance contracts. Such expenses apply to building, equipment and vandalism. In addition, any related rentals are also included in this category. Any income related to reimbursement of damage(is) caused by the lessee will be credited to this account.

Furniture, Fixtures

And Equipment: Represents items up to \$2,500 paid for capital type items, including computers. Items greater than \$2,500 and that meet other criteria must be capitalized – see “Fixed Asset Accounting” guidelines.

Depreciation: Depreciation is the method of allocating the total original costs of a capitalized asset over the estimated useful economic life of the asset.

Increase/Decrease in

Unrestricted Net Represents the excess/shortfall of revenue over/under expenses.

Assets:

## **Exhibit A-5**

### **KEY TO STATEMENTS OF FINANCIAL POSITION**

Current Assets – Cash, cash equivalents, and assets which can be converted into cash within one year.

- Cash & Investments – Balances in petty cash, checking and savings accounts, and in short-term investment accounts.
- Accounts Receivable – Money that the Association has a right to receive because it had provided customers with goods and/or services.
- Loans Receivable – Amounts expected to be repaid within one year by a party which has received monetary advances.
- Prepaid Expense – An expense that has been paid for in advance of its use. When it is used or consumed, it becomes an expense. Examples include prepaid insurance, rent and supplies.
- Inventory – The cost of goods held and expected to be sold in the normal course of operations.

Non-current Assets – Assets which are not expected to be converted to cash within one year and are not expected to be used or sold in the normal course of operations.

- Furniture, Fixtures & Leasehold Improvements – Tangible assets meeting the criteria of a fixed asset and used in the operations of a business and/or improve and increase the value of leased property.
- Accumulated Depreciation – The cumulative amount of depreciation expense recorded and accumulated from fixed assets' costs.

Other Assets – Assets that don't clearly fit into the standard asset categories. This section is used for assets that are less common or are unique in nature.

- Right of Use Asset, Operating Leases – The right to use a leased asset over the lease term.

Short Term Liability – A debt or other obligation that is due within one year.

- Accounts Payable – A debt owed to a creditor for goods or services purchased.
- Amount Payable to CA for Excess Cash Reserves – Funds in excess of allowable cash reserves.

- Security Deposits – Amounts held from customers for possible damages in connection with room rentals and facility leases.
- Sales Tax – The aggregate amount of sales taxes that a business has collected from customers on behalf of a governing tax authority.
- Deferred Revenue (CA) – Advanced payment received from CA for the Association's annual charge share.
- Deferred Revenue (Other) – Money received for goods or services which have not been provided.
- Accrued Liabilities (Payroll) – Payroll expenses which have been incurred during an accounting period but have not been paid.
- Accrued Liabilities (Other) – Expenses which have been incurred during an accounting period but have not been paid. Examples include accrued rent or interest expense. Accrued payroll expenses should be recorded as Accrued Liability – Payroll.
- Long Term Debt Due Within 1 Year – Amounts due within the next year on any debt which is scheduled to be repaid in total over a period lasting longer than 12 months.
- Lease Liability (Current) – The portion of the lease liability due within the next 12 months.

Long Term Debt Due After 1 Year – Amounts due after the next year on any debt which is scheduled to be repaid in total over a period lasting longer than 12 months.

Lease Liability (Non-Current) – The portion of the lease liability due after 12 months, reflecting future lease payments.

Net Assets – The difference between total assets and total liabilities. It represents the total accumulated earnings of the company.

## **Exhibit A-6**

### **FIXED ASSET ACCOUNTING**

The following is a brief memo regarding the expensing of capital expenditures as opposed to the capitalization of such expenditures.

To clarify what should be budgeted as operating expenses and what should be budgeted as capital, the following is a summary of the Association's capitalization rules and policies.

Expenditures should be capitalized if all the following criteria are met:

1. They result in a new asset with a useful life of at least two years and/or;
2. They result in an addition to an existing asset; and
3. They materially improve an existing asset's function or significantly increase its useful life and;
4. They cost more than **\$2,500**.

Expenditures should not be capitalized if:

1. They cost up to **\$2,500** (even if they meet the criteria listed above);
2. They replace an existing component and provide substantially the same benefit or perform substantially the same function;
3. If the useful life is less than two years.

To assist managers in determining whether an addition to an existing asset should be considered a repair or maintenance expense as opposed to a capital addition, the following guidelines are provided:

#### **Repairs and Maintenance**

1. Ordinary repairs are relatively small expenditures which are incurred on a continuous basis to keep operational assets in usable condition. They neither add materially to the use value (efficiency) of the asset nor prolong its life. These expenditures should be expensed currently.
2. Extraordinary repairs are major repairs involving relatively large amounts and are not recurring in nature, usually increase the value or increase the life of the asset beyond where it was before the repair. These repairs should be considered capital additions.
3. Replacement and betterment involve the removal of a major part or component of an asset and the replacement of a new part or component having significantly improved performance capabilities. The result of the improved substitute is to increase the overall efficiency of the asset and to increase the useful life of the primary asset. These costs should be considered capital additions.
4. Additions are extensions, enlargement, or expansions made to the existing asset. These costs should be considered capital additions.

The above guidelines are general and other factors may affect whether an expenditure is capital or not. When preparing capital budgets, please consult CA's Accounting Division if there is a question regarding a particular expenditure.

## **Exhibit A-7**

### **CALCULATION OF DEPRECIATION EXPENSE**

The following is a general guideline for calculating depreciation expense.

General depreciable lives guidelines:

Computer Equipment - 3 to 5 years  
Furniture and fixtures - 5 to 10 years  
Leasehold Improvements - Estimated useful life of the asset

In the first year and last year of the asset's life, a half of a year's depreciation would be taken, regardless of when the asset was purchased during that year.

Assume that a computer has a five-year economic life. Thus, the total cost should be divided by 5 to arrive at the annual depreciation.

Example: Computer Cost \$5,000

Depreciation:  $\$5,000/5 = \$1,000$  per year

Year 1 and 6:  $\$5,000/5/2 = \$500$  per year



**Exhibit B**  
**FIDUCIARY RESPONSIBILITY**

HICKORY RIDGE COMMUNITY ASSOCIATION, INC

Board of Directors

Acknowledgment of Fiduciary Responsibility

I, \_\_\_\_\_ (name), a duly elected/appointed member of the Board of Directors of HICKORY RIDGE COMMUNITY ASSOCIATION, INC (the “Association”), for the term of \_\_\_\_\_, do hereby acknowledge and understand that ensuring the protection and proper use of the Association’s assets is my fiduciary responsibility as a Director of the Association.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director



## Manager's Report

April 28, 2025

### 1. Dates to Note:

- **May 3**, 9:00am, Books and Baked Goods
- **May 6**, 7:30pm, RAC meeting, virtual
- **May 13**, 7:30pm, Board meeting, virtual

**2. Election Committee:** The Election Committee will meet after the election to review the election process. They will report to the Village Board at the Board meeting on Monday, June 10, 2025, at 7:30pm. This is a virtual meeting.

**3. Construction at the Center of the Little Patuxent Parkway Loop:** Construction has begun on Columbia Association (CA) Open Space at the center of the Clary's Forest loop. ICA will be replacing bridge HRBR20 with a culvert pipe and upgrading another metal pipe under the pathway that leads to Little Patuxent Parkway. The basketball court will be resurfaced, and there will be a 30-day waiting period until the court can be painted. A new fence will be erected at the court. In addition, CA will begin the process of paving much of the surrounding pathway, constructing a new seating pad and replacing a few other metal pipes. Once the paving is complete, a landscape contractor will be backfilling the pathway and spreading soil and seed in disturbed areas. Signs will be posted to inform the public. There will be times of limited access to the area during working hours.

The projected schedule is:

3/17 through 3/28/25 - Bridge removal, pipe replacement, install new basketball hoops, demo existing fence

Week of 3/31/25 - Begin resurfacing of basketball court

4/7/25 through 5/2/25 - New fence installation, begin paving of adjacent areas- including more pipe replacements.

5/5/25 - Begin painting of the basketball court.

5/12/25 - Continue paving area pathways

5/27/25 through 6/27/25 - Backfilling of pathways

**4. Follow Hickory Ridge:** Find all the ways to connect with [Hickory Ridge here](#):



### 5. Committee Reports:

- **Resident Architectural Committee:** The RAC continues to review applications as usual.
- **Aging Well in Columbia Advisory Committee (AWCAC):** Ms. Grier reports at this meeting.
- **Watershed Advisory Committee (WAC):** Ms. Wessner will give Climate Change presentation at this meeting.