

**Amendment to Program Management Agreement and  
Acknowledgement of Termination of Property Management Agreement (“Agreement”)**

This Agreement amends the Program Management Agreement executed on April 20, 1990 (“**Program Management Agreement**”) by Montgomery County, Maryland (“**County**”) and Crossway Community, Inc. (“**Program Manager**”) governing the management of programs at 3015 Upton Drive, Kensington, Maryland, a property owned by the County (“**Property**”), a copy of which is attached hereto as **Exhibit A**. The County and the Program Manager are jointly referred to as the “**Parties**.” Further, this Agreement serves as an acknowledgment by the Parties that the Property Management Agreement by and between the Program Manager and the Whetstone Company dated April 17, 1990 is of no further legal force or effect.

NOW THEREFORE, the Parties agree to amend the Program Management Agreement as set forth below. In the event any provision of this Agreement conflicts with any provision of the Program Management Agreement, the provisions contained in this Agreement control.

1. Number of Residential Units. The Property is a residential facility (“**Facility**”) containing 37 residential units available to rent (“**units**”), all of which, under the terms of this Agreement, must be continuously and fully leased. Under the Master Lease Agreement between the County and the Housing Opportunities Commission (HOC), each of the 37 units is eligible for a project-based Housing Choice Voucher rental subsidy and is to be rented to a household eligible for Housing Choice Voucher rental subsidies (“**qualified tenant**”), a copy of the Master Lease Agreement is attached hereto as **Exhibit B**.
2. Occupancy Rates. The Program Manager must make all best efforts to maintain 100% occupancy of the Facility, meaning that these 37 rental units must be leased to and physically occupied by a qualified tenant; and, each of these 37 rental units must generate rental income for the Property based upon the occupancy of the unit by a qualified tenant. A qualified tenant, for purposes of this Agreement, is defined as a tenant who is receiving a Housing Choice Voucher rental subsidy.
3. Waiting List. The Program Manager must maintain a continuous waiting list of potential qualified tenants. The waiting list must contain at least the names and contact information for households who are eligible to participate in the Housing Choice Voucher Program, as administered by HOC. The Program Manager must furnish a copy of the waiting list within 24 hours of a request by the County or HOC.
4. Filling vacant units. The Program Manager will assure that for any of these 37 rental units, no more than 7 calendar days must pass between the date that the prior tenant physically vacates the unit and the date that the Program Manager submits to HOC an application for a potential new tenant for that vacant unit. A copy of this application is also to be provided to DHCA. The Program Manager will have 14 days from the date the prior tenant physically vacates the unit to request an inspection of the unit by HOC and prepare the unit for inspection. Except when additional time is needed to verify a potential tenant’s citizenship, HOC will notify Crossway of the acceptance or denial of

the potential tenant's application within 14 calendar days. If a potential tenant's application is rejected by HOC, the Program Manager must submit the application of another potential tenant within 7 calendar days of HOC's rejection notification. If the Program Manager fails to submit another application to HOC within 7 calendar days of a unit becoming physically vacant, or within 7 days after HOC provides notification that a potential tenant's application has been rejected, HOC may execute a lease for the vacant unit with an appropriately sized household referred by the Montgomery County Department of Health and Human Services. If necessary, HOC may fill all 37 of the residential rental units in the manner set out in this Paragraph, except that HOC must honor the lease-up grace period provided in Paragraph 6, below.

5. Term of Leases. Qualified tenants are not required to sign a lease with a term longer than one year. Fulfillment of a one-year lease agreement will make a tenant eligible for a tenant-based Housing Choice Voucher through HOC, provided that HOC has access to sufficient federal funding. Once a tenant is eligible for a tenant-based voucher, that tenant has the option to move out of the Property. The Program Manager, in coordination with HOC, must disclose this information to each prospective tenant in writing before executing a lease with the prospective tenant. The written disclosure concerning the tenant-based Housing Choice Vouchers must be signed by the prospective tenant and retained in the tenant's file. At the request of the County or HOC, copies of these signed written disclosures must be made available for review by representatives of the County and HOC.
6. Phase-in of Agreement. This Agreement will take effect on the date of the County's signature ("**Effective Date**"). However, the Program Manager will be given a grace period (as provided in this Paragraph) in order to achieve 100% occupancy of the 37 units. Upon 30 calendar days from the Effective Date of this Agreement, 32 of the units must be leased to qualified tenants. If, upon the thirty-first (31<sup>st</sup>) day from the Effective Date of this Agreement, there are fewer than 32 units leased to qualified tenants, any vacancies up to 32 of the units may be leased by HOC to tenants referred by the Montgomery County Department of Health and Human Services as provided in Paragraph 4. Upon 60 calendar days from the Effective Date of this Agreement, 37 of the units must be leased to qualified tenants. If, upon the sixty-first (61<sup>st</sup>) calendar day from the Effective Date of this Agreement, there are less than 37 units leased to qualified tenants, any vacant units may be leased by HOC to tenants referred by the Montgomery County Department of Health and Human Services as provided in Paragraph 4, irrespective of whether the vacancies are existing vacancies or new vacancies.
7. Property Management Agreement. By executing this Agreement, the Program Manager acknowledges, agrees and represents to the County that the Property Management Agreement for the Property dated April 17, 1990 by and between the Program Manager and Whetstone Company is of no further legal force or effect.
8. Clarification of Paragraphs 2 and 3 of the Program Management Agreement. By executing this Agreement, the Program Manager acknowledges and agrees that the value of the County's contributions to the Program Manager's operating deficit at the Property,

the value of the County's installation of a new roof on the Facility in 2006 and the value of the Program Manager's use of the Facility's office without the payment of rent as required under Paragraph 2 of the Program Management Agreement exceeds the value of any monies owed by the County to the Program Manager under Paragraph 3 of the Program Management Agreement and, therefore, no additional funds, either retroactively or prospectively, are owed by the County to the Program Manager.

9. Control of Facility. Paragraph 8 of the Program Management Agreement is amended by the deleting the first sentence of that Paragraph and replacing it with the following:

~~“Unless the Program Manager is otherwise provided advance, written notice by either the County or HOC that the Program Manager no longer has the authority to control the Facility's Non-Residential Space, the Program Manager has the authority to control the use of all the space within the Facility that is not the subject of a lease between HOC and any individual tenant (the “**Non-Residential Space**”).~~

The remainder of Paragraph 8 is unchanged.

10. Notices. Paragraph 14 of the Program Management Agreement is deleted in its entirety and replaced by the following:

“Any notice required under this Agreement may be furnished by hand-delivery, facsimile, over night mail or first class mail. Unless the Parties notify the other that its contact information has changed, notices must be provided at the following addresses and facsimile numbers:

If to the Program Manager: Kathleen Guinan, Chief Executive Officer  
Crossway Community, Inc.  
Pleasant View Apartments  
3015 Upton Drive  
Kensington, Maryland 20895  
Fax No.: (301) 949-4741

If to the County: Richard Y. Nelson, Jr., Director  
Dept. of Housing and Community Affairs  
100 Maryland Avenue, 4<sup>th</sup> Floor  
Rockville, Maryland 20850  
Fax No.: 240-777-3677

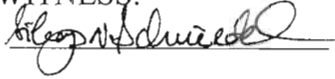
With a copy to: Office of the County Attorney  
101 Monroe Street, 3<sup>rd</sup> Floor  
Rockville, Maryland 20850

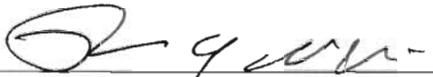
IN WITNESS WHEREOF, the parties have executed this Agreement on the dates written below.

**COUNTY**

MONTGOMERY COUNTY, MARYLAND

WITNESS:



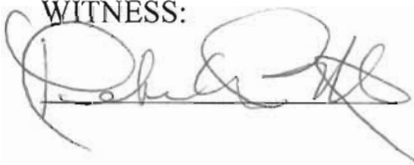
By:   
Richard Y. Nelson, Jr., Director  
Department of Housing and Community  
Affairs

Date: 4/4/07

**PROGRAM MANAGER**

CROSSWAY COMMUNITY, INC.

WITNESS:



By:   
Kathleen Guinan  
Chief Executive Officer

Date: 5.9.07

**ACKNOWLEDGED AND AGREED TO:**

Housing Opportunities Commission

By:   
D. Scott Minton, Director

Date: 4/8/07

**APPROVED FOR FORM AND LEGAL SUFFICIENCY:**

By:   
Vickie L. Gaul, Associate County Attorney

Date: April 3, 2007

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