

LICENSE AGREEMENT  
BETWEEN  
MONTGOMERY COUNTY, MARYLAND AND BRIGHT EYES, INC.

DATE: 6/10/06

TABLE OF CONTENTS

1. Licensed Premises
2. Term
3. Renewal Option
4. License Fee
5. Use of Licensed Premises
6. Assignment
7. Use of Outdoor Playground Areas
8. Enrollment
9. Priority Placement
10. Special Conditions
11. Improvements and Alterations
12. Services
13. Fixtures and Equipment
14. Liability, Property Damage and Fire Insurance
15. Hold Harmless
16. Responsibilities of Licensee
17. Destruction of Licensed Premises
18. Default
19. Eminent Domain
20. Right of Entry
21. Return of the Licensed Premises
22. Notice of Accidents, Defects or Damages
23. Compliance with Laws
24. Waiver
25. Non-Discrimination
26. Public Employment
27. Mailing Notices
28. Resident Agent
29. Prohibition of Hazardous Substances
30. Non-Appropriation
31. American Disabilities Act Requirements
32. Contract Solicitation/Broker's Fees or Commissions
33. Force Majeure
34. Entire Agreement
35. Modifications
36. Governing Law
37. Claims
38. Indemnity Bond
39. Parking

Exhibit A – Licensed Premises

Exhibit B – Provider's Child Care Proposal

Exhibit C – Procedure for Implementing the Revised Policy  
for Waivers of Capital Cost Fee

Exhibit D – Licensed Premises' Equipment Inventory

Exhibit E – Insurance

## LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "License"), made this 8<sup>th</sup> day of August, 2006, by and between MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland (the "County") and BRIGHT EYES, INC., a for profit corporation and a Child Care Provider (the "Licensee" or the "Provider"). (The County and the Licensee or Provider together the "Parties").

### BACKGROUND:

1. The County has a leasehold interest for the sole purpose of operating a child care center in the building located at 7301 Hadley Farms Drive, Gaithersburg, Maryland known as the Judith A. Resnick Elementary School ("Child Care Center");
2. The County solicited requests for proposals from organizations interested in providing child care at 7301 Hadley Farms Drive, Gaithersburg, Maryland;
3. A Child Care Provider Selection Committee reviewed applications and chose the Licensee to provide a child care program appropriate to the needs of the community;
4. The purpose of the County's Policy on Use of County Buildings for Child Care is:
  - a. To establish consistent and reasonable rental rates for child care in public buildings licensed from the County;
  - b. To establish responsibilities of the County and the Licensee; and
  - c. To establish priority placement for children of County employees; and
5. The Licensee is licensed or certified by the State of Maryland or other bona fide certifying or licensing entity to provide child care services.

1. LICENSED PREMISES: The County does grant the Licensee the privilege, license and right to use approximately 3,465 licensable square feet in the

premises known as the Judith Resnick Elementary School located at 7401 Hadley Farms Drive, Gaithersburg, Maryland (the "Licensed Premises"), as outlined in red on the attached **Exhibit A**, for the exclusive purpose of providing the child care services described in the Provider's Childcare Proposal attached as **Exhibit B** and incorporated as if fully set forth (the "Program").

2. **LICENSE TERM:** The term of this License is for two (2) years, commencing on July 1, 2006 and expiring on June 30, 2008 (the "License Term"). This License may be terminated at any time during the License Term or any extension of the License Term by the County upon thirty (30) days written notice to the Licensee, unless the Licensee's license or certification to operate a Child Care Center is suspended or revoked by the issuing entity, in which case the County is not required to provide thirty (30) days written notice to the Licensee. The County is under no obligation to provide alternative space for the Licensee and is not responsible for any moving costs or any expenses incurred by the Licensee as a result of the termination or expiration of this License for any reason.

3. **RENEWAL OPTION:** The Licensee may, at its option, extend the License Term for three (3) additional and consecutive two (2) year terms (the "Renewal Terms"), provided that: (a) the Licensee is not in default of any of the provisions of this License; (b) the License is in full force and effect; (c) the County has not given the Licensee notice of the County's intention to terminate the License; (d) The Licensee's license to operate a Child Care Center has not been revoked or suspended by the issuing entity; and (e) the Licensee provides the County with written notice that the Licensee intends to exercise any of the Licensee's options to extend the License Term, one hundred and twenty (120) days prior to the expiration of the current License Term. **TIME IS OF THE ESSENCE FOR THE LICENSEE'S NOTICE TO THE COUNTY.**

4. **LICENSE FEE:**

A. **License Fee:** In order to best serve the interests of the families and children who use the Child Care Center, the Licensee agreed to meet the request from the County to accelerate its original move-in date. To meet this request, the Licensee will spend previously unbudgeted money, time

and effort to accelerate move in and accommodate existing users of the facility. The Licensee has indicated, due to the change in providers and the July opening date, the enrollment will be much lower than anticipated. The County acknowledges that the Licensee's early opening will negatively impact the Licensee's original projections for the Child Care Center and therefore has agreed to an abatement of the License Fee and Additional License Fee beginning with July 1, 2006 and terminating August 31, 2006. Commencing September 1, 2006, the Licensee will pay to the County as a License Fee, Nine Dollars (\$9.00) per square foot for an annual rate of Thirty One Thousand One Hundred Eighty Five Dollars (\$31,185.00) payable in equal monthly installments of Two Thousand Five Hundred Ninety-Eight Dollars and Seventy-Five Cents (\$2,598.75). All payments are to be made in advance on the first day of each month during each license year, and shall be payable by check to:

Montgomery County, Maryland  
Office of Real Estate  
P. O. Box 62077  
Baltimore, Maryland 21264-2077.

B. License Fee Increase: Commencing with January 1, 2007 and on the 1<sup>st</sup> of January thereafter during the License Term, and any Renewal Term, the County will establish the License Fee rate to be paid by the Licensee for the next year, by determining the average per square foot operating cost for all childcare facilities operated and maintained by the County. For purposes of this License, operating costs shall include, but not be limited to, the following:

1. Utilities;
2. Janitorial – At the same level provided to other County facilities. The Licensee must perform day to day programmatic clean up (spills, crumbs, sand, food preparation areas, etc.);
3. Maintenance (major and minor);

4. Pest control;
5. Snow removal;
6. Grounds maintenance;
7. Fire Extinguishers;
8. Trash removal, recycling;
9. Renovations as required to meet State licensing regulations; and
10. Security in the form of locking the facility.

C. Additional License Fees: In addition to the License Fee payable under Paragraph 4 (B), the Licensee shall pay to the County a share of the cost of debt service incurred by the County as a result of improvements and renovations to child care facilities operated and maintained by the County as an Additional Licensee Fee (the "Additional License Fee"). The Additional License Fee shall be due and payable in the same manner and on the same day as the License Fee. The cost of debt service shall be determined annually by (1) adding all Capital Improvement Program costs for all County-owned and County-maintained child care facilities; (2) multiplying the total cost by the average effective annual repayment rate for twenty (20) year bonds; and (3) dividing that result by the total square footage allocated to the county maintained child care facilities.

D. Waiver of Additional License Fees: Pursuant to the Policy on Use of County Buildings for Child Care, attached hereto and made a part hereof, as **Exhibit C**, a waiver on the repayment of debt service and the Additional License Fee, as stated above in Paragraph 4(C) shall be granted by the County to the Licensee provided that Fifty-one percent (51%) or more of families served by the Licensee are eligible for or enrolled in the Department of Health and Human Services subsidy programs.

E. Failure to Pay License Fees: If the Licensee fails to submit the monthly License Fee or Additional License Fee payments in the manner as provided for above (collectively the "License Fee Payment"), and if the failure continues for more than ten (10) calendar days after the first day of

the month for which the License Fee Payment is due and payable, the Licensee will pay to the County, in addition to and as a part of the License Fee Payment in question, a late penalty of five percent (5%) of the monthly Licensee Fee Payment. If the Licensee's failure to pay continues for more than twenty (20) calendar days after a monthly payment becomes due and payable the Licensee will pay to the County, in addition to and as a part of the License Fee Payment in question, a late penalty of fifteen percent (15%) of the monthly License Fee Payment. If the Licensee's failure to pay continues for more than thirty (30) calendar days after a monthly License Fee Payment becomes due and payable, the County will have the right to terminate this License Agreement, recover possession of the Licensed Premises and pursue any other legal remedies available to the County under all applicable federal, state and local laws.

5. USE OF THE LICENSED PREMISES:

- A. The Licensee must use the Licensed Premises only for the provision of infant and child care services and those activities related to such services.
- B. The Licensee must abide by any and all rules and regulations concerning the operation of its Program, which may, from time to time, be issued by the County.
- C. The Licensee must implement its Program in the manner set forth in the Providers Child Care Proposal and in its presentation to the Child Care Selection Committee.
- D. The Licensee must implement its Program in accordance with any and all applicable state, local and federal laws pertaining to the operation of Child Care Centers and must maintain its license or certification to provide such services in accordance with the requirements of the entity issuing such license or certification.

E. Licensee shall be granted use of the Licensed Premises from 6:30 a.m. to 6:30 p.m. on weekdays, year long. Use of the Licensed Premises at other times must be approved in advance, in writing, by the Department of Health and Human Services.

6. ASSIGNMENT: The Licensee must not assign, transfer, mortgage or otherwise encumber this License or sublet or rent (or permit a third party to occupy or use) the Licensed Premises or any part of the Licensed Premises.

7. USE OF OUTDOOR PLAYGROUND AREAS: The Licensee shall have access to and the right to use the outdoor playground areas (if any) adjacent to the Licensed Premises when used by the Licensee in connection with its Program and during its normal hours of operation. Repair, maintenance and replacement of playground equipment will be the responsibility of the party that provided such playground equipment as described on the Licensed Premises Equipment Inventory attached as **Exhibit D.**

8. ENROLLMENT: The Licensee acknowledges and agrees that the Licensed Premises will be licensed for a maximum of ninety-nine (99) children. The Licensee must inform the County whenever the licensed enrollment increases beyond ninety-nine (99) children.

9. PRIORITY PLACEMENT: The Licensee must provide children of County employees with priority placement in the Licensee's Program.

10. SPECIAL CONDITIONS: In addition to establishing priority placement for children of County employees, the Licensee must:

A. Comply with the Americans with Disabilities Act and all federal, state and local laws regarding providing access and services to disabled persons;

B. Share its Program enrollment data with the County;

- C. Accept children whose parents participate in state or local subsidy programs;
- D. Maintain reports relating to the Licensee's license(s) or certification(s) as a child care provider for inspection and evaluation for County and parental review;
- E. Maintain compliance with all licensing requirements of its Program, whether state, local or federal; and
- F. Obtain and maintain accreditation of its Program by the National Association for the Education of Young Children (NAEYC) or by another nationally recognized accreditation system.

11. IMPROVEMENTS AND ALTERATIONS: The Licensee must not permit or undertake any alterations, changes, improvements, or additions to the Licensed Premises without the prior written consent of the County ("Licensee's Work"). In order to secure the County's approval of any Licensee's Work", the Licensee must submit to the County written plans and specifications clearly setting forth Licensee's Work to be performed. The plans and specifications for Licensee's Work submitted by the Licensee to the County must demonstrate compliance with all applicable codes and regulations. The County will respond in writing to the Licensee within forty-five (45) days from receipt of said plans and specifications for Licensee's Work. The County may impose any reasonable conditions to its consent, including, but not limited to (1) delivery to the County by the Licensee of written or unconditional waivers of mechanic's and materialman's liens as to the Licensed Premises or the premises of which the Licensed Premises are a part, for all work, labor and services to be performed and materials to be furnished, signed by all contractors, subcontractors, materialmen and laborers participating in the alterations; (2) prior approval of the plans and specifications and the Licensee's contractors with respect to any Licensee's Work; and (3) the right of the County's representatives to inspect any Licensee's Work during the course of any Licensee's Work to be performed to the Licensed Premises or the premises of which the Licensed Premises are a part. Licensee's Work must conform to the requirements of the

County's insurer and of the federal, state and local governments having jurisdiction over the premises of which the Licensed Premises are a part, and must be performed in accordance with the terms and conditions of this License in a good and workmanlike manner and shall not adversely affect the value, utility, or character of the Licensed Premises or the premises of which the Licensed Premises are a part. Notwithstanding the foregoing, if any mechanic's or materialmen's lien is filed against the Licensed Premises or the premises of which the Licensed Premises are a part, for work claimed to have been done for, or materials claimed to have been furnished to or for the benefit of the Licensee, such lien must be discharged of record by the Licensee within sixty (60) days of payment or the filing of any bond required by law. If the Licensee fails to discharge any such lien, the County may (but is not obligated to) discharge the same, the cost of which must be paid by the Licensee upon demand by the County.

The County reserves the right to reject, in its sole discretion, any Licensee's Work proposed by the Licensee. The County will inspect the Licensed Premises upon completion of Licensee's Work to determine adherence to submitted plans and specifications. In the event that Licensee's Work is not reasonably satisfactory to the County, the Licensee must undertake any necessary corrections, at the Licensee's sole risk and expense. Once the consent of the County has been obtained to perform Licensee's Work, the Licensee will be responsible for the acquisition of any and all necessary permits and for the observation of all building and zoning ordinances and regulations then in effect. The Licensee's failure to adhere to any such applicable ordinances or regulations shall be deemed to be a violation of this License Agreement. The cost of any Licensee's Work shall be borne solely by the Licensee.

12. SERVICES:

A. The Licensee, at its risk and expense, will be responsible for the provision of telephone services to the Licensed Premises, as deemed necessary by the Licensee.

B. The County, through the Montgomery Board of Education, will be responsible for providing to the Licensed Premises regular janitorial services on County workdays as specified in Article 4, Paragraph (B),

including refuse removal, recycling, and pest control. Any janitorial services beyond regular County services will be the responsibility of the Licensee. If pest control is required after normal working hours, the Licensee or the Licensee's representative must be available if requested by the County.

C. The County will provide fire extinguishers where needed.

D. The County will be responsible for the payment of utilities necessary for the operation of the building of which the Licensed Premises are a part.

E. The County will be responsible for maintenance of the grounds immediately adjacent to the building of which the Licensed Premises are a part.

F. The County will be responsible for snow and ice removal or treatment of walkways and the parking areas, as it becomes necessary.

G. The County will be responsible for all renovations required to meet state licensing regulations.

H. The County will be responsible for major structural repairs, and maintenance and repair of the building's mechanical systems.

I. The County and the Licensee agree that the County's maintenance responsibilities, as set forth in items (B), (C), (D), (E), (F), (G) and (H) of this Section will be performed by the County, at the County's expense.

13. FIXTURES AND EQUIPMENT: All items which are attached to the building, or are a part of the building's systems at the time the Licensed Premises are delivered to the Licensee, must remain with the building and shall be delivered to the Licensee along with the Licensed Premises. Plumbing, electrical and heating fixtures and all other fixtures, except trade fixtures, installed by the Licensee shall remain in the

Licensed Premises at end of term. All other items installed within the Licensed Premises at the Licensee's expense shall remain the property of the Licensee and shall be removed by the Licensee at the expiration or other termination of this License. The Licensee must repair any damage caused by reason of the removal of the Licensee's property. Any personal property remaining within the Licensed Premises after termination of the License will become property of the County. The County will dispose of any such property in the manner it deems appropriate.

14. LIABILITY, PROPERTY DAMAGE AND FIRE INSURANCE:

- A. Insurance: The Licensee agrees to obtain and maintain, during the full term of this License, any Renewal Terms, and until all of the Licensee's obligations which survive termination of this License have been completed, a policy or policies of insurance issued by an insurance company or companies licensed in the State of Maryland and acceptable to the County containing the types of insurance coverages and limitations set forth in the Insurance Requirements, attached hereto as **Exhibit E**, which is incorporated by reference and made a part of this License Agreement.
- B. Licensee's Owned Contents: The Licensee must provide evidence of property coverage for their owned contents and any improvements to the Licensed Premises. Coverage shall be on a replacement cost basis for "all risks of direct physical loss or damage except as specifically excluded." The County does not provide any coverage for Licensee's owned contents and improvements to the Licensed Premises.
- C. County's Insurance: The County will maintain its normal fire and liability insurance on the Licensed Premises. The County reserves the right to self-insure.
- D. Certificate of Insurance: The Licensee must, within thirty (30) days from execution of this License Agreement, deliver to the County a certificate(s) of insurance evidencing the coverages required under this License Agreement. The certificates must be issued to: Montgomery

County, Maryland, Department of Public Works and Transportation,  
Office of Real Estate, 101 Monroe Street, 10<sup>th</sup> Floor, Rockville, Maryland  
20850.

E. Additional Insured: The Licensee's General Liability Policy must list Montgomery County, Maryland as an additional insured and all insurance policies obtained by the Licensee as required by this License Agreement must provide that the Licensee will give the County written notice of amendment, cancellation, termination or non-renewal, no later than forty-five (45) days prior to amendment, cancellation, termination or non-renewal. The Licensee must provide on an annual basis evidence that is satisfactory to the County of the insurance coverages required under this License Agreement.

F. Subrogation: If a casualty or other occurrence which should be covered by the insurance required by this License Agreement occurs, the Licensee must look solely to its insurer for reimbursement and the Licensee must ensure that such insurance is so written that the Licensee's insurer waives all rights of subrogation and shall have no cause of action against the County, its agents, or employees as a result of such casualty or occurrence. The Licensee waives and releases all right of recovery which it might otherwise have against the County or its agents or employees by reason of any loss or damage resulting from such casualty or other occurrence, to the extent that the Licensee would be covered by insurance if the Licensee complied with the requirements of this License Agreement pertaining to insurance.

G. Security System: In the event the County engages the services of a professional security system for the Licensed Premises or the premises of which the Licensed Premises are a part, it is understood that such engagement in no way increases the County's liability for occurrences and/or consequences which such a system is designed to detect or avert and that the Licensee must look solely to its insurer as set forth above for claims for damages or injury to any person or property.

15. HOLD HARMLESS: The Licensee agrees to hold harmless and defend the County from and against any and all claims of liability, actions, damages and expenses arising out of or related to the Licensee's breach of this License Agreement or use or possession of the Licensed Premises occasioned wholly or in part by any act or omission of the Licensee, its agents, contractors, guests or employees, except such claims arising solely from the negligent acts or omissions of the County, the County's employees, agents and contractors. The Licensee further specifically agrees to hold the County harmless and defend the County from and against any claim of public liability made in connection with any construction or installation of equipment performed by the Licensee, its agents, employees or contractors, within the Licensed Premises, notwithstanding that any such construction or equipment may or may not be deemed to be a part of the Licensed Premises, or such construction or installation of equipment shall have been approved by the County.

16. RESPONSIBILITIES OF LICENSEE: The Licensee covenants and agrees as follows:

A. The Licensee must not keep gasoline or other flammable material or any explosive within the Licensed Premises which will increase the rate of fire insurance on the Licensed Premises beyond the ordinary risk established for the type of operations described in Article 5. Any such increase in the insurance rate due to the presence of gasoline, other flammable material or explosives, or due to the Licensee's operations within the Licensed Premises, must be borne solely by the Licensee. The Licensee must not willfully do any act or thing in or about the Licensed Premises which may make void or voidable any insurance on the Licensed Premises or the premises of which the Licensed Premises are a part, and the Licensee must conform to all rules and regulations established from time to time by the County, the Maryland Insurance Rating Bureau, or any other authority having jurisdiction over such matters.

B. The Licensee must not use or allow the Licensed Premises or any part of the Licensed Premises to be used for any illegal, unlawful or improper purpose or for any act or thing that may be a nuisance,

annoyance, inconvenience, or cause damage to the Licensed Premises, the premises of which the Licensed Premises are a part, adjacent properties or the adjacent neighborhood.

C. The Licensee must not place upon the Licensed Premises any placard, sign, lettering or awning except such, and in such place and manner as shall have been first approved in writing by the County.

D. The Licensee acknowledges that all responsibilities of the Licensee relating to the use or misuse of the Licensed Premises shall be construed to include use or misuse of the Licensed Premises by the Licensee's agents, employees, patrons and residents.

E. The Licensee must not have pets in or about the Licensed Premises. This provision does not limit the Licensee or the Licensee's clients, employee's or guest's right to have bona fide service animals on the Licensed Premises. The Licensee is solely responsible for the proper care of service animals in the Licensed Premises and in keeping the Licensed Premises clean and free of debris and waste associated with the care and feeding of service animals.

F. The Licensee must comply with all rules and regulations with regard to the use of the Licensed Premises that may be from time to time promulgated by the County. Any violation of said rules and regulations will be deemed to constitute a violation of this License. It is understood that such rules and regulations will not unreasonably interfere with or prevent the intended uses of the Licensed Premises as set forth in this License.

G. The Licensee must maintain in good condition, and promptly and diligently repair any damage to (or replace if reasonably necessary in the circumstances), any trade fixtures, except as provided for in Article 12.

H. The Licensee must close and lock all entrance doors and windows in the Licensed Premises when the Licensed Premises are not in use. Further, before closing and leaving the Licensed Premises at any time, the Licensee must close all windows and doors and secure the Licensed Premises. The Licensee must not place any additional locks or bolts of any kind upon any of the entrance or interior doors or windows. The Licensee must not change any existing locks without prior written approval of the County. In the event an approved change is made to the existing locks, the Licensee must provide the County with keys to the new locks. Upon the termination of this License Agreement, the Licensee must return all keys of the building, offices, and bathrooms, either furnished to, or otherwise procured by, the Licensee to the County. In the event of the loss of any keys provided to the Licensee, the Licensee must pay the County the cost such keys and/or locks.

I. The Licensee must establish and post in the Licensed Premises an appropriate fire evacuation plan and hold fire drills as required. All occupants of the Licensed Premises must be trained regarding the safe and proper operation of all appliances and equipment in the Licensed Premises.

J. The Licensee is responsible for on site management of the Licensed Premises and must keep posted, in a conspicuous place within the Licensed Premises, the Licensee's responsibilities and obligations as specified in Articles 12 and 16 of this License. The Licensee must keep a copy of this License at the Licensed Premises and ensure the Licensee's on site representative is adhering to the terms and conditions of this License.

K. The Licensee must indemnify, defend and hold the County and the County's other tenants, licensees, agents and employees (together the "Indemnities") harmless from and against all liabilities, obligations, damages, judgments, penalties, claims, costs, charges and expenses, including, without limitation, reasonable architects' and attorney's fees, which may be imposed upon, incurred by, or asserted against any of the

Indemnities and arising, directly or indirectly, out of or in connection with (i) The Licensee's breach of its obligations under this License; (ii) the acts or negligence of the Licensee, its agents, contractors, and employees in the premises or on the Licensed Premises; and (iii) the use or occupancy of the Licensed Premises, and by the Licensee, its agents, servants, employees and contractors. In case any action or proceeding is brought against any of the Indemnities by reason of any of the foregoing, the Licensee must reimburse the County the cost of defending such action or proceeding, or upon the County's written demand and at the Licensee's sole cost and expense, the Licensee must defend such action and proceeding by counsel approved by the County.

L. The Licensee must not strip, overload, damage, or deface the Licensed Premises or any part of the premises of which the Licensed Premises are a part, including, but not limited to, hallways, stairways, or elevators.

M. The Licensee must not permit any trade or occupation to be carried on or use made of the Licensed Premises outside the scope of this License (Article 5). Further the Licensee agrees to and must obey any and all federal, state, county and local laws and regulations relating to their operation of business on and in the Licensed Premises and premises of which the Licensed Premises are a part.

N. The Licensee must not move any furniture or equipment which is the property of the County into or out of the Licensed Premises without the County's prior written consent.

O. The Licensee must not interfere with the County's use or other tenant's or the Licensee's use of the Licensed Premises and the premises of which the Licensed Premises are a part.

P. The Licensee must pay all of its bills and expenses relating to its use of the Licensed Premises on time and must not permit any disruption

in any service, including but not limited to, utilities, to any portion of the Licensed Premises.

Q. The Licensee verifies and acknowledges that the person executing this License on behalf of the Licensee has the legal authority to bind the Licensee to the duties and obligations set forth in this License. The Licensee further verifies and acknowledges that such person's signature creates a binding obligation on the part of the Licensee for the term of this License.

R. The Licensee verifies and acknowledges that it is in good standing and/or qualified to do business in the State of Maryland.

S. The Licensee agrees to and must perform any and all obligations under this License in a timely manner.

T. Upon removal of the Licensee's property from the Licensed Premises, the Licensee at its sole expense must repair any damage to the Licensed Premises caused by such removal so that the Licensed Premises are in substantially the same condition as at the commencement of the License Term, reasonable wear and tear excepted.

17. DESTRUCTION OF LICENSED PREMISES:

A. In the event of damage to or destruction of the Licensed Premises or any part of the Licensed Premises by fire, storm, flood or other casualty which does not require the Licensee to suspend entirely its business, the County shall, as soon as practicable after said damage or destruction, repair and restore the Licensed Premises to the condition they were in immediately prior to said damage or destruction. Should such damage or destruction of said premises or any substantial part of the Licensed Premises render the Licensed Premises wholly unavailable for use by the Licensee for use as a child care facility, the County shall promptly begin and diligently pursue the repairing, restoration and rebuilding of the

Licensed Premises as nearly as possible to the condition they were in immediately prior to such damage or destruction or with such changes or alterations as the County may determine appropriate. In the alternative, the County may terminate this License within thirty (30) days following the date of the destruction of the Licensed Premises as described above by sending a termination notice to the Licensee.

B. In the event of damage to or destruction of fifty percent (50%) or more of the building of which the Licensed Premises are a part, the County may elect not to restore the said building and this License shall automatically terminate and the Parties shall be discharged from all responsibilities arising under this License.

18. DEFAULT: The Licensee shall be considered in default of this License Agreement and the County may terminate this License Agreement upon the occurrence of any of the following:

- i. Failure to perform under any term, covenant or condition of this License;
- ii. The commencement of any action or proceeding for the dissolution or liquidation of the Licensee, or for the appointment of a receiver or trustee of the Licensee's property;
- iii. The making of any assignment for the benefit of the Licensee's creditors;
- iv. The abandonment of the Licensed Premises by the Licensee;
- v. The revocation or suspension of the Licensee's license or certification as a child care provider by the issuing entity; and
- vi. Any other default or breach of the terms and conditions this License.

19. EMINENT DOMAIN: The Licensee is not entitled to any condemnation award granted to the County as owner of the Licensed Premises. In the event that the Licensed Premises shall be taken by any governmental or quasi-governmental authority pursuant to its power of eminent domain or sold under threat of such taking, the Licensee will not be entitled to recover from the County any capital expenditures for improvements and betterments made by the Licensee to the Licensed Premises at the Licensee's expense.

20. RIGHT OF ENTRY:

A. Routine Repairs and Inspection: The Licensee must permit the County, its agents or employees, at reasonable times and upon reasonable prior notice (not less than 1 days/24hours prior notice) to enter the Licensed Premises without charge and without diminution of License Fee payments to: (1) examine, inspect and protect the Licensed Premises; (2) to perform maintenance and repairs the County may in its sole discretion consider necessary or desirable; and (3) to exhibit the Licensed Premises to prospective purchasers, tenants, licensees or to present or future mortgagors.

B. Emergency Access: In cases of emergency involving imminent risk of injury or death to persons or damage to property, the County, its agents or employees without prior notice to the Licensee, may enter the Licensed Premises, however the County will attempt, but is not required to notify the Licensee of any such entry under this section as soon as is practicable under the circumstances.

21. RETURN OF LICENSED PREMISES:

A. At the conclusion of the License Term as set forth in Article 2, or following the termination of this License for any other cause, the Licensee must remove all of the Licensee's goods and effects from the Licensed Premises and return to the County all keys, locks, and other fixtures

belonging to the County, in good repair, reasonable wear and tear excepted.

A. The Licensee must return the Licensed Premises to the County in the same condition as received at the beginning of the License Term, in "broom clean" condition, reasonable wear and tear excepted.

B. In the event that Licensee's property is not removed from the Licensed Premises within seventy-two (72) hours after the termination of this License, the property remaining will become the property of the County.

C. Following termination of this License, the Licensee must remove any and all signs erected by or on behalf of the Licensee and must pay for or repair any damage caused by the installation or removal of such signage.

D. At the time of termination of this License and at the County's option, the Licensee must participate in a walk-through with the County's agent or employee to inspect the Licensed Premises.

22. NOTICE OF ACCIDENTS, DEFECTS OR DAMAGES: The Licensee must give the County prompt verbal notice of accidents in or damages to the Licensed Premises, and, within twenty-four (24) hours following the occurrence of such accident or damage, the Licensee must follow-up with a detailed written report to the County of such accidents or damages.

23. COMPLIANCE WITH LAWS: It is understood, agreed and covenanted by and between the Parties that the Licensee, at the Licensee's expense, will promptly comply with, observe and perform all of the requirements of all of the codes, statutes, ordinances, rules, orders and regulations now in effect or later promulgated whether required by the Federal Government, State of Maryland, Montgomery County Government and the municipality in which Licensed Premises are located, Montgomery

County Department of Environmental Protection or Montgomery County Fire Marshal's Office.

24. WAIVER: The waiver of at any time by either of the Parties of any particular covenant, condition, obligation, or duty under this License shall extend to the particular case only, and for the particular time and in the particular manner specified, and such waiver must not be construed or understood as waiving any further or other rights of either Party.

25. NON-DISCRIMINATION: The Licensee agrees to comply with the non-discrimination in policies in County contracts as required by Section 11B-33 and Section 27-19 of the Montgomery County Code (2004), as amended, as well as all other federal, state and local laws and regulations regarding discrimination. By signing this License Agreement, the Licensee assures the County that in accordance with applicable law, it does not, and agrees that it will not engage in any discrimination in violation of the above sections of the Montgomery County Code as well as any other federal, state or local laws, rules and regulations.

26. PUBLIC EMPLOYMENT: The Licensee understands and agrees that unless authorized under Sections 11B-52 and Chapter 19A of the Montgomery County Code 2004, as amended, that it is unlawful for any person or entity transacting business with Montgomery County, Maryland, to employ a public employee for employment contemporaneous with his or her public employment.

27. MAILING NOTICES: All notices required or desired to be given in accordance with this License by either party must be given by first class mail with a nationally recognized receipted delivery service, postage prepaid, addressed to the County or the Licensee, respectively. Notices to the Parties must be addressed as follows:

Licensee:

Bright Eyes, Inc.  
25114 Vista Ridge Road  
Gaithersburg, Maryland 20882  
Diana Holzberger, Director

County:

Montgomery County, Maryland  
Department of Public Works &  
Transportation  
Office of Real Estate  
101 Monroe Street, 10<sup>th</sup> Floor

Rockville, Maryland 20850  
Attn: Director of Real Estate

With a copy, that does not constitute Notice to:

Montgomery County, Maryland  
Office of the County Attorney  
101 Monroe Street, 3<sup>rd</sup> Floor  
Rockville, Maryland 20850  
Attn: County Attorney

28. RESIDENT AGENT: The Resident Agent for the Licensee is Paul Holzberger and its address for receipt of notices and service of process is 25114 Vista Ridge Road, Gaithersburg Maryland 20882. The Licensee must immediately notify the County of any change in resident agent or resident agent's address.

29. PROHIBITION OF HAZARDOUS SUBSTANCES: The Licensee agrees not to store or bring hazardous substances onto the Licensed Premises. The Licensee indemnifies the County against any and all claims of any personal injuries or personal and real property damage as a result of any hazardous substance being brought on the premises by the Licensee, its agents, contractors, employees or guests.

30. NON-APPROPRIATION: This License shall terminate automatically on July 1 of any year for which the County, for whatever reason does not appropriate funds to pay the County's obligations provided in this License. The Licensee shall not make or be entitled to any claim for reimbursement of any kind, whether for improvements or prepaid items.

31. AMERICAN DISABILITIES ACT REQUIREMENTS: The County and the Licensee agree that any future modifications made to the Licensed Premises will be made in conformance with the requirements of the Americans with Disabilities Act, the Federal Fair Housing Act, and all safety and accessibility requested in Federal, State and County Laws and regulations. The Licensee must obtain all required permits to make any

modifications to the Licensed Premises and must comply with all applicable building and safety codes.

32. CONTRACT SOLICITATION/BROKER'S FEES OR COMMISSIONS:

The Licensee represents that it has not retained anyone to solicit or secure this License from the County upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established, licensed, commercial selling or leasing agencies maintained by the Licensee for the purpose of securing business or an attorney rendering professional legal services consistent with the applicable canons of ethics of the profession.

33. FORCE MAJEURE: Neither Party will be deemed in default with respect to the performance of any terms, covenants, and conditions of this License if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, inability to obtain any material or service, through natural or other cause beyond the control of either party; provided, however, that this provision shall not excuse any non-payment of License Fees. For purposes of this provision, lack of funds shall not be considered a cause beyond the control of a Party.

34. ENTIRE AGREEMENT: This License (which contains and includes the Exhibits) is the entire agreement between the Parties, and no representations, inducements, or agreement, oral or otherwise, between the Parties not contained in this License shall be of any force or effect.

35. MODIFICATION: This License (other than the Rules and Regulations, which may be changed from time to time) must not be modified in any manner except by an instrument in writing executed by both Parties with the same formality as this License.

36. GOVERNING LAW: This License and its performance is to be governed, interpreted, construed and regulated by the laws of Montgomery County and the State of Maryland.

37. CLAIMS: Any action brought by or on behalf of either Party in connection with the performance of this License must be filed and maintained in a court of competent jurisdiction in Montgomery County, Maryland.

38. INDEMNITY BOND: Upon the request of the County, concurrent with the effective date of this License or at any time during the term of this License, the Licensee must obtain and maintain an executed miscellaneous indemnity bond in the amount of the annual rent for the current License Term to remain in full force and effect throughout the remainder of the License Term as security for the Licensee's faithful performance of all terms and conditions of this License. The County shall have the right, but not the obligation, to request such a bond from the Licensee. The County, in its sole discretion, may accept an appropriate substitute surety. The Licensee must, within fifteen (15) days from the date of the request by the County, deliver to the County, the said surety, evidencing the coverage stated in this Paragraph. Failure to deliver the bond or surety as required is considered by the County to be a default under this License.

39. PARKING: The Licensee is entitled to full use of the parking facilities which are a part of the Licensed Premises as of the date of execution of this License. Parking for the Licensee and any other occupants of the building, their staff, clients and guests will be confined to the surfaced parking areas in existence as of the date of execution of this License.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be properly executed.

WITNESS:

By: Rika Murphy

COUNTY:

MONTGOMERY COUNTY,  
MARYLAND

By: Joseph F. Beach

Joseph F. Beach, Assistant  
Chief Administrative Officer

Date: 8/10/04

WITNESS:

By: Diane H. Heffernan

LICENSEE:

BRIGHT EYES, INC.

By: Diane H. Heffernan

Title: President

Date: 8/3/04

APPROVED AS TO FORM & LEGALITY  
OFFICE OF THE COUNTY ATTORNEY

By: Gileen S. Branan

RECOMMENDED

By: Cynthia L. Brennenman

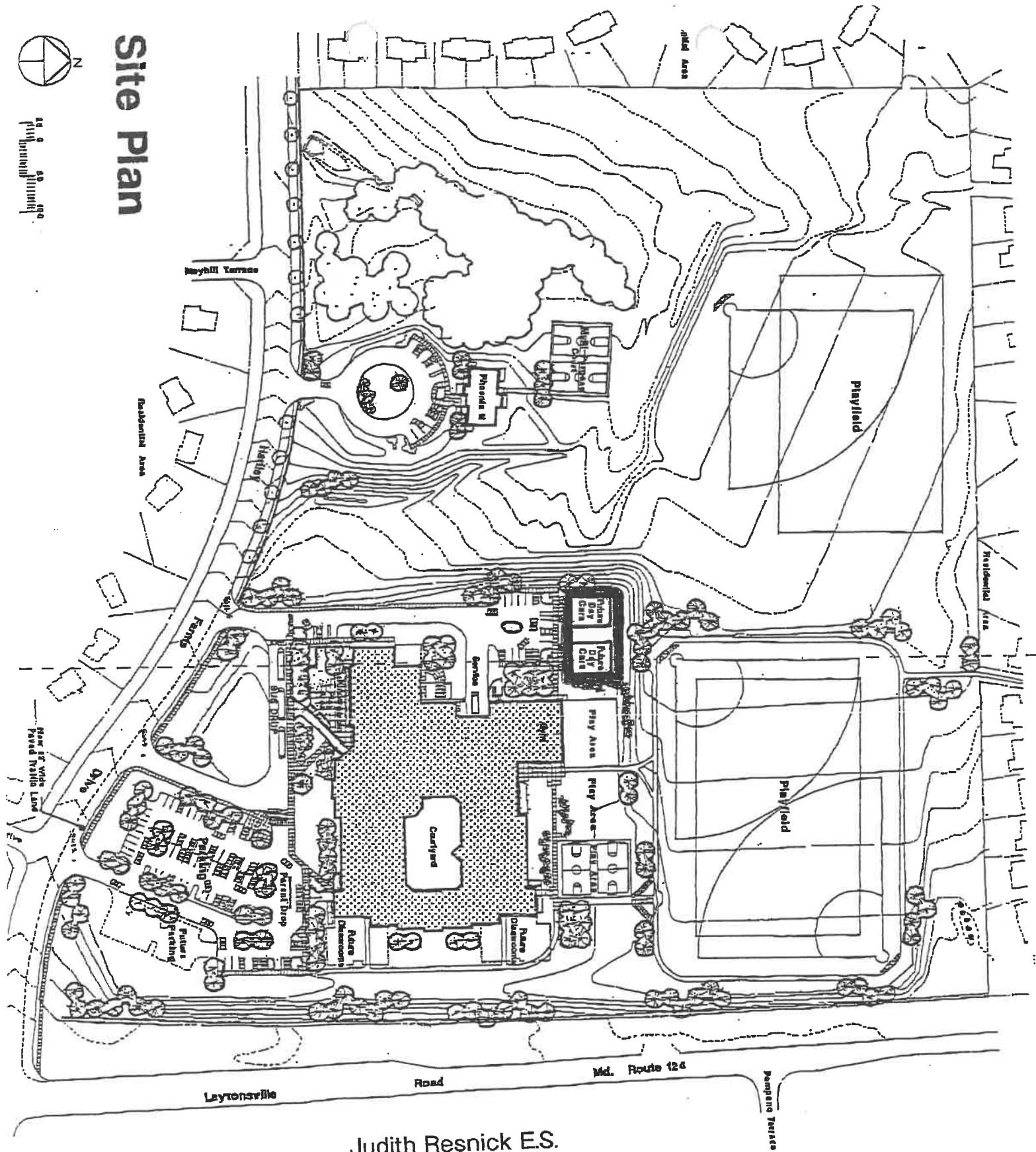
Cynthia L. Brennenman, Director  
Office of Real Estate

Date: 6/9/2006

Date: 6/7/06

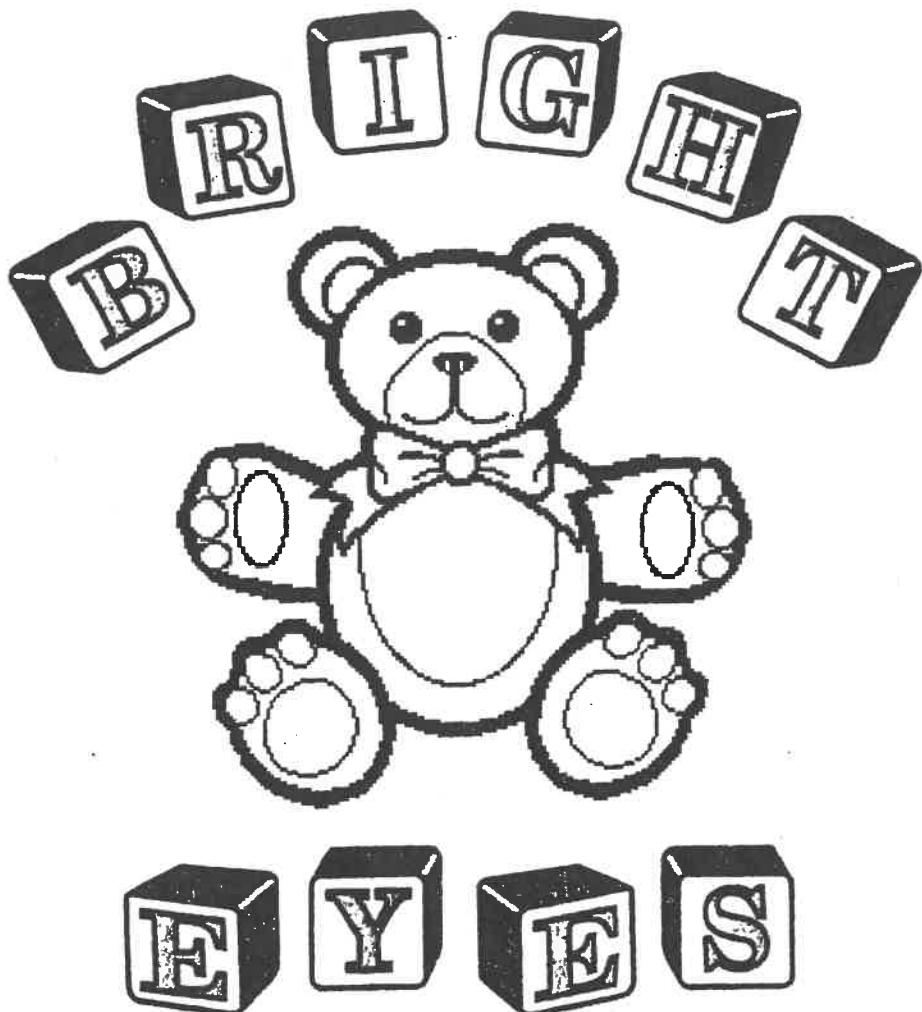


## Site Plan



Judith Resnick E.S.

## Exhibit A



# CHILD CARE CENTERS

PROPOSAL PREPARED FOR  
JUDITH RESNICK ELEMENTARY SCHOOL  
SITE

Applicant: Bright Eyes, Inc.  
25114 Vista Ridge Rd.  
Gaithersburg, Md. 20882

Phone Numbers: 301-928-7201 Contact  
301-482-2641 Corporate Office  
301-946-2776 (Silver Spring center)  
301-948-8373 (Gaithersburg center)  
301-482-0658 (Damascus center)  
301-984-5672 (Timberlawn Crescent center)  
301-540-7614 (Trinity United Methodist center)  
240-430-1008 (Glen Haven center)

Fax Number: 301-482-2641

Contact Person: Diana or Paul Holzberger

Bright Eyes, Inc. is solely owned and operated by Paul, Diana and Thomas Holzberger and has been operating since December 1990. Our centers in Gaithersburg and Timberlawn Crescent have current accreditation through the National Association for the Education of Young Children (NAEYC). Our centers in Silver Spring, Damascus, Trinity and Glen Haven are presently pursuing accreditation through MSDE. Silver Spring, Glen Haven and Gaithersburg are in operating elementary schools and our centers at Damascus, Timberlawn Crescent and Trinity United Methodist are free standing centers.

Prior to opening our first center our home was licensed as a family day care home serving Viers Mill Elementary School for seven years.

In addition to our child care experience, all three of us have been involved in many different sport clubs, Scouts and other clubs and activities. Paul and Diana's children attended Viers Mill Elementary School and while they were there, they were very active members of the PTA. Diana served on the Executive Committee for three years along with numerous other committees, and they were also both volunteers at the school. Thomas has worked at Bright Eyes since 1994.

We love working with children and their families and look for this trait in the staff that we hire.

We are members of the National Association for the Education of Young Children, have served on the Montgomery County Board of Education Bell Times study group representing child care centers in Montgomery County, and Diana was on the Executive Committee of the Organization of Child Care Directors for six years. We are currently participating in the Early Reading First Grant at our Silver Spring center and we are participating in the Pre-school/Childcare Partnership.

In addition, both Diana and Thomas are qualified as Directors by the Office of Child Care

## CURRENT PROGRAMS

Name:

Location:

Hours of Operation:

Ages and Number of Children Served:

Director:

Building Manager:

Name:

Location:

Hours of Operation:

Ages and Number of Children Served:

Director:

Building Manager:

Name:

Location:

Hours of Operation:

Ages and Number of Children Served:

Director:

Building Manager:

Name:

Location:

Hours of Operation:

Ages and Number of Children Served:

Director:

Building Manager:

Bright Eyes Child Care Center

Viers Mill Elementary School

11711 Joseph Mill Rd.

Silver Spring, Md. 20906

7:00 AM – 6:30 PM, Monday – Friday

Infants & Toddlers 12

2 year olds: 12

3 and 4 year olds: 22

Kindergarten: 8

1<sup>st</sup> – 5<sup>th</sup> Grade: 39

Jerraine Johnson

Matt DeVan, Principal

301-929-2165

Bright Eyes Child Care Center

Thurgood Marshall Elementary School

12260 McDonald Chapel Dr.

Gaithersburg, Md. 20878

7:00 AM – 6:30 PM, Monday – Friday

Infants & Toddlers 6

2 year olds: 12

3 and 4 year olds: 34

Kindergarten: 15

1<sup>st</sup> – 5<sup>th</sup> Grade: 80

Francine Corbett-Voltz

Mary Wilson, Principal

301-670-8282

Bright Eyes Child Care

9625 Main St.

Damascus, Md. 20872

6:30 AM – 6:30 PM, Monday thru Friday

Infants: 6

2 year olds: 15

3 and 4 year olds: 22

Kindergarten: 4

1<sup>st</sup> – 5<sup>th</sup> Grade: 21

Karen Kerber

Montgomery County Government

301-664-3597

Bright Eyes Child Care

5707 Luxemburg St.

N. Bethesda, Md. 20853

7:00 AM – 6:30 PM, Monday thru Friday

Infants: 12

2, 3, and 4 year olds 22

Cheryl Epps

Jerry Matthews, HOC

301-929-5648

## CURRENT PROGRAMS CONTINUED

Name:	Bright Eyes Child Care Center
Location:	Trinity United Methodist Church
	13700 Schaeffer Rd.
	Germantown, Md. 20874
Hours of Operation:	7:00 AM – 6:30 PM, Monday – Friday
Ages and Number of Children Served:	Infants and Toddlers 18
	Two Year Olds 12
	FT Pre-school 20
	PT Pre-school 20
	School age 14
Director:	Kim Hicks
Building Manager:	Sharon Pearsall
	240-285-7941
Name:	Bright Eyes Child Care Center
Location:	Glen Haven Elementary School
	10900 Inwood Ave.
	Silver Spring, Md. 20902
Hours of Operation:	7:00 AM – 6:30 PM, Monday – Friday
Ages and Number of Children Served:	Infants and Toddlers 6
	Two Year Olds 6
	Pre-school 20
	School Age 48
Director:	Taheerah Rashid
Building Manager:	Dr. JoAnne Smith, Principal
	301-649-8051

## TOM AND MONIQUE WITZ

March 7, 2006

19101 Wheatfield Dr.  
Germantown, MD 20876  
301-515-9625 (hm)  
301-212-8222 (Tom wk)  
301-212-3137 (Monique wk)  
[Tommymoni@aol.com](mailto:Tommymoni@aol.com)

Bright Eyes  
Francine Corbett-Voltz  
12260 McDonald Chapel Dr.  
Gaithersburg, MD 20878

Recently I was asked if I would consider writing a letter of recommendation for Bright Eyes. I feel privileged and honored to do so. My husband and I have 2 boys that attend Bright Eyes on a part-time basis. Carson is in the 2 year old class and Sean is in the morning 1/2 day preschool. Sean, who recently turned 5 in February, is a special needs child.

Sean has been attending the PEP Program at Thurgood Elementary School since he turned 3. I first heard about Bright Eyes from Sean's teachers when I mentioned that I was looking for day care. Our old day care had built a house in Clarksburg so I needed to find other options. I was told they had an excellent program and usually a waiting list. One of Sean's teachers took me to Bright Eyes and introduced me to Francine. My heart filled up immediately when I visited. It seemed all too perfect for my boys. I surely assumed I would not be able to afford this. When I received the pricing from Francine, I found the pricing to be very reasonable. ...and amazingly enough there were 2 spots open for my boys!

Sean and Carson have been at Bright Eyes for 4 months. I am so grateful for all the love and care they give my boys. Francine has hired the right staff and has trained her employees to care and love the children at Bright Eyes. Sean has speech and developmental delays. He has a hard time following directions and has a difficult time sitting still. There are also times when he has behavior problems that need to be addressed. What I love about Bright Eyes, is that they never seemed annoyed or frustrated with Sean but instead wanted to talk to me and his teachers to get feedback on how they can best help Sean. They have sat in on his Pep classes to get additional instruction as to how to work with Sean. They have incorporated different ideas into their classroom to help make it safer for Sean. We have also been blessed with one teacher in particular who assists and works very closely with Sean. She goes well beyond the call of duty with all the support she gives Sean. We are very grateful for her and all of his teachers.

Carson loves his 2 year old class. Miss Marquita makes it a fun and educational experience for the children. It is evident that she loves her job as well as the kids. She has a theme each week where the kids continue to learn in fun environment.

Bright Eyes has been a huge blessing for us. Sean can be difficult to understand and care for but his teachers at Bright Eyes are more interested in learning how they can best help Sean. I can not say enough good things about Bright Eyes. I have recommended Bright Eyes to my friends and they too have been impressed. If you need any additional information, please feel free to call me at the number above.

Sincerely,



Monique and Tom Witz

November 14, 2005

Re: Bright Eyes Child Care at Trinity UMC

I am writing this letter to recommend Bright Eyes Child Care Center. We have been very happy customers for almost a year now. Our son has attended the infant program since I returned to work earlier this year.

Our son is our third child after a long break (he has two sisters 9 and 11 years older than he is). When we searched for day care this time, we were looking for the convenience of a center but hoping to find something warmer and more personal than what we had used in the past. We found this unique combination in Bright Eyes.

Just take a look at the infant room decorations. Depending on the time of year, the babies' sweet faces may be seen on cutouts of spring bunnies, summer bees, or Thanksgiving turkeys! Miss Stephanie, Miss Tenesha, and Miss Tracy keep updated bios for each baby that display the care and affection they feel for our little ones. Cribs are decorated with their pictures and there is even a wall of family pictures! The baby room is cozy and cheerful and I know my son is very happy spending his day here.

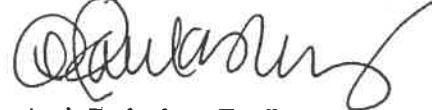
I was fortunate to get a very detailed look at the center operation when I came in each day at lunchtime to nurse my son those first few weeks. It was a wonderful experience to ease back into full-time work knowing I could spend my lunch hour rocking my little guy. The Bright Eyes staff was very welcoming and I felt like I really got to know them during that time. Babies were held when they were fed bottles and rocked to sleep (at lunchtime extra staff was often there - I never saw a baby with a propped bottle or left to cry in a crib). I could relax at work knowing my baby was getting lots of attention and affection.

Communication has been excellent. The sheet that comes home each night has the usual details you'd expect, but also little notes about how his day was. When my son has been very upset (usually over cutting teeth) his teacher has called me to let me know so I can stop in with Tylenol. Each night his teacher takes the time to really talk to me about his day and new things he is doing. I know she really cares about him. Nothing says that more to me than to see how happy he is each day when we arrive at his classroom!

Now that my son is eating real food I love that Bright Eyes provides meals and snacks each day. It is so convenient. They provide me with a menu at the end of each week for the following week so I can choose the foods he is ready for. He has been introduced to most new table foods at Bright Eyes and he loves them!

For all of these reasons and more, I highly recommend Bright Eyes Child Care Center at Trinity UMC.

Sincerely,



Angie Pankosky & Family

p.s.  
I forgot to mention  
what great directors  
ms. Kim & ms. Chris are!  
And the big Thanksgiving  
farning dinner was so fun &  
delicious.

Page 4

10801 Middleboro Drive  
Damascus, MD 20872

March 7, 2006

Bright Eyes  
9625 Main Street  
Damascus, MD 20872

In Re: Letter of Satisfaction/Recommendation

Dear Sir/Madam:

It is with great pleasure that we write this letter of recommendation regarding our experiences with your staff at Bright Eyes. We are able and happy to offer this letter of recommendation of your establishment in Damascus, Maryland.

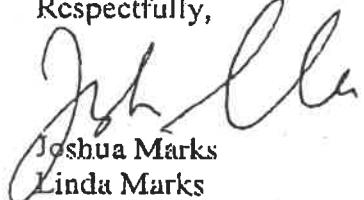
We have had both our children with your establishment for a collective nine years now. We have always found your staff at the Damascus facility, polite and accommodating; empathetic in situations where our children have been ill and we needed to come and pick them up (from Washington DC and/or Baltimore); discrete in disciplinary actions where our children might have been involved and in academic tutoring if your staff discerned a comprehension problem while our children were doing homework.

The Director of your facility, Ms. Karen Kerber is a very responsible individual and we are sure that she engenders the confidence and support of her staff, let alone your clients. She is open to suggestions and extremely dedicated to your facility and staff. We are sure that you are aware of her management skills and that is a testament to your judgment of employing the right personality to run this facility.

In short, we would recommend your facility to anyone who should inquire.

Please share this letter with your staff and let them know that they're performing a great service and that we appreciate same.

Respectfully,



Joshua Marks  
Linda Marks

## PHILOSOPHY

To provide a loving, stimulating, environment where children are free to learn and grow while in the care of gentle, warm care givers. To provide a program in which children can grow physically, emotionally, socially and cognitively at their own pace. To provide a developmentally appropriate curriculum that takes into consideration the changing interests of the children. To help children celebrate and share their culture. To respect all children and to help them to respect themselves and others.

## OBJECTIVES

- \*To provide a quality child care center, accredited by NAEYC or MSDE, sensitive to the needs of the whole family and community.
- \*To encourage parent involvement in our program.
- \*To provide programs and activities that are stimulating and varied, programs that children are eager to attend each day.
- \*To encourage children to develop self-control and learn peaceful conflict resolution skills.
- \*To work with the family as a team to provide the best possible care for their child.
- \*To provide a place for children to have time for homework, arts and crafts, games, sports and hobbies.

We know that in the past our program has grown and changed due to parent comments and suggestions. We know that working parents have a very busy schedule and anything we can do to make their life easier is worth the effort. We include several ways for parents to be involved in our program.

The demographics for the student population at Glen Haven very closely resembles the demographics at our Viers Mill Elementary School site in Silver Spring. We work very closely with our parents to make sure that their needs are being met.

We send Bright Eyes annual evaluations for parents to complete, to rate our program and to give comments for improvement. In addition we send NAEYC evaluations home. It is very important to us that we provide the services that the community is looking for.

## **AGES AND NUMBERS OF CHILDREN**

Bright Eyes at the Judith Resnick Elementary School Child Care Site would plan on serving the following numbers of children:

- 1 group of 6 – infant and toddlers
- 1 group of 12 – 2 year olds
- 1 group of 20 - 3 and 4 year olds
- 2 Groups of up to 30 school age children

These numbers are approximate but reflect Child Care Administration guidelines for group size. All final numbers would be determined based on licensable square footage. We feel that by providing for infants through school age children we will best be able to meet the needs of this community. We have learned that parents desire to have all their children's child care needs met in one setting when possible.

The school age children would be divided in two groups. Kindergarten through Second Grade in one group and Third through Fifth grade in the other group. These groups could be flexible so that siblings desiring to be in the same group could be accommodated, conversely siblings that wished to be separated could be as well. By breaking the children down in groups we would be able to provide age appropriate clubs and activities for the school age children.

## **OPERATION OF THE PROGRAM**

Bright Eyes will operate Monday thru Friday, year round, from 6:30 AM – 6:30 PM. We will be open on all half days and during all school breaks.

We will close in observance of the following holidays:

New Year's Eve	Memorial Day
New Year's Day	Independence Day
Martin Luther King's B'day	Labor Day
President's Day	Thanksgiving and Friday
Good Friday	Christmas Eve
Easter Monday	Christmas Day

Bright Eyes follows the policy of the Montgomery County Board of Education Administrative Offices in the event of emergency closings. If the Administrative offices close or open late, we close or open late. If the Montgomery County Public Schools open late or close (but the Administrative offices are open) we will open one hour late at 7:30 AM. This will allow for safe arrival of our staff and children.

## **SPECIAL POPULATIONS**

Bright Eyes has a strong commitment in trying to meet the needs of families that desire part time care. All of our programs include options for parents to choose whether their child will attend full time or part time. We have some children who come as little as one day a week. Parents are free to choose for their child to come any combination of days as long as those days stay consistent each week. We offer occasional care, when space is available, and when we are able to meet licensing regulations. However, at the current time all of our programs are full and have waiting lists so the opportunity for occasional care does not realistically exist. We offer before school only care, after school only care, before and after school care, Head Start and Pre-school wrap, and full day and half day pre-school.

We have always accepted children on Working Parents Assistance Program subsidies and subsidies available through the DSS Purchase of Care Program, HOC vouchers, and the FEEA subsidy program. We work very closely with parents to help them obtain any financial assistance that is available to them. We offer special payment plans when needed. Each parent knows that all they have to do is talk to us and we will work with them regarding payments.

At Bright Eyes we have always strived to serve children and families with special needs. We currently have children who have asthma, autism, developmental delays, speech delays, lactose intolerance, severe allergies, vision and hearing impairments, ADD and ADHD. We serve children enrolled in the PEP program, children who are diabetic, children using walkers and children confined to wheel chairs. In the past we have served several children with epilepsy. Our goal is to have all children feel loved, accepted and safe at Bright Eyes.

## SPECIAL PROGRAM FEATURES

If Bright Eyes is chosen to be the child care provider at Judith Resnick Elementary we will offer priority enrollment to families currently enrolled at the existing child care center. Priority enrollment would also be given to children of teachers in the building and pre-school children in the school boundaries.

Bright Eyes works closely with the Mental Health Consultants from Montgomery County so that we may help families receive early interventions when needed. This has proven to be very helpful for both our staff and for our families. We have been able to identify red flags with the assistance of the Mental Health Consultants, who have helped us to work with families to receive assistance. In addition, the Consultants have helped to train our staff on how to deal with some of these issues. Bright Eyes has been participating in the Early Reading First Grant and all of our pre-school children are working on reading readiness skills that will make them successful readers. We are using the Maryland State Voluntary Curriculum in our pre-school programs.

Bright Eyes has a strong commitment to community service. In the past we have conducted canned food drives, collected Toys for Tots, conducted Trike-A-Thons for St. Judes hospital, done the Bunny Hop for the Juvenile Diabetes Foundation, made quilts for the Binky Patrol for babies with HIV, walked for the homeless, collected cereal for Manna, did a blanket drive, and our staff participates in the annual Walk for Diabetes.

\*Bright Eyes provides computers for our children. We provide monthly guest visitors to our pre-school programs. Our guests in the past have included Baltimore Zoo mobile, Mad-Science, a visiting Pumpkin Patch, magicians comedy, puppet shows, and cultural arts groups. During the summer, our school age children swim weekly, as well as go on other field trips. Our Recreation Director visits each of our centers during the summer to provide games, sports and weekly competitions with the other Bright Eyes. There are no extra fees for most of these activities. They are provided at Bright Eyes expense. Parents may be asked to help finance one trip a year and Bright Eyes will provide for those who can not afford the expense.

\*We encourage parents to become very involved in our program, we feel that this will have the greatest impact of all for the children and community. With the help of the parents and families we can all work together to make sure that the children are getting quality care and programming.

\*Bright Eyes offers a 5% discount to families with two children enrolled in our program and a 10% discount to families with three or more children enrolled.

\*Bright Eyes provides scholarships to families on POC or WPA vouchers. No co-pays are required if vouchers cover 90% of fee for one child, 85% for two, and 80% for three or more.

## TIME LINE

Approximately end of April – Receive notification

Immediately – Submit “Letter of Intent” to Child Care Administration

Register for Child Care Administration Orientation if required.

May 1, 2006 – Arrange to meet school principal and possibly to tour site.

(Try to make arrangements to be present at Kindergarten orientation.)

Have printer begin making forms for new center

May 8, 2006 – Begin making purchases. Notify Erie Insurance of changes to policy.

May 15, 2006 – Begin to distribute flyers to parents in Judith Resnick Elementary School region, through PTA and by door to door distribution.

Begin advertising for staff – priority, Director

Begin registration process for families.

Continue purchases.

Work with County to plan parent meetings to let parents know of impending changes.

June 1, 2006 – Submit application to Office of Child Care and request visit in July.

Continued communication with County to ensure smooth transition.

Continue hiring for all positions.

Begin setting up files for new children and staff.

Communication with parents as to tentative timeline.

June 10, 2006 – Contact Fire Marshall about inspection

July – As soon as able begin setting up program.

Licensing inspection

Orientation, CPR and First Aide for all staff.

Begin operation on date as determined by County.

August 2006 – Plan open house in conjunction with before school open house at Judith Resnick.

(We have taken over for three existing programs in the past and although it is a tight time frame it is very doable.)

## **FEE SCHEDULE**

	Monthly	Weekly	Daily
Infant and Toddler	\$1191	\$275	N/A
Two year old	\$797	\$184	\$40
Pre-school (3 or 4years)full day	\$723	\$167	\$37
Pre-school (3 or 4years)half day	\$355	\$ 82	\$20
Head-Start, Pre-K	\$585	\$135	\$30
Head-Start, Pre-K complement	\$355	\$ 82	\$20
School – Age 1 <sup>st</sup> – 5 <sup>th</sup> grade			
Before & After school	\$455	\$105	\$24
Before school only		\$ 51	\$12
After school only		\$ 82	\$20
Summer care 1 - 5 weeks		\$164	\$36
6 – 9 weeks		\$174	\$38
Registration fee		\$30	
Late pick up fee		\$5 every 10 minutes or portion thereof/ per child	
Late payment fee		\$5 per day	
Returned check fee		\$25 per check	
Deposit		One weeks fee	

All rates are per child. Rates are reviewed annually and change with the start of the new school year.

Discounts – Families with 2 children receive 5% discount off the total fee; families with three or more children receive 10% discount off the total fee.

There are no other fees or charges to parents. Most activities, events or field trips are paid for by Bright Eyes.

## **PROPOSED PERSONNEL**

Bright Eyes at Judith Resnick Elementary School Site would be staffed with 1 Director, 1 Assistant Director, 4 Senior Staff, 3 Group Leaders and about 8 aides. We will maintain at least the minimum staff/child ratios, however our ratios are usually better than required. We do our best to employ the best qualified applicants, but will be looking for staff with Special Education training and will be looking to provide a culturally diverse staff. In addition to these staff members Paul, Diana and Thomas Holzberger are very involved as owners and will be at each center on a regular basis to oversee the operation of the program and provide office support.

Bright Eyes also employs an Education Director to visit the site monthly and Thomas also serves as a Recreation Director and provides summer activities for the children and oversees the school age program plans.

### **Director Responsibilities:**

- Maintain licensing regulations at all times.
- Ready center for and maintain accreditations.
- Be available to parents, staff and children.
- Meet with all prospective parents.
- Process paperwork for new admissions.
- Prepare parent communications, including newsletter.
- Hire new staff.
- Prepare weekly staff schedules.
- Oversee preparation of weekly snack menu.
- Responsible for the orientation and training of new staff.
- Do observations of staff in classroom.
- Meet with staff regularly to discuss program.
- Prepare staff memos.
- Prepare staff evaluations.
- Attend necessary training and workshops.
- Plan and make arrangements for workshops for staff.
- Make arrangements for substitutes.
- Receive all child care payments, bill for missing payments and miscellaneous fees.
- Keep records of late payments, sickness and attendance.
- Process WPA, DSS, and HOC paperwork.
- Observe children.
- Maintain personnel and children's files.
- Communicate needs of center to owners.
- Oversee petty cash expenditures.
- Arrange community outreach projects.
- Maintain open communication with the staff and Administration of Judith Resnick ES.

## STAFF BENEFITS AND SALARY RANGES

Director	\$41,600+
Assistant Director	\$27,040+
Senior Staff	\$10.60 – 13.00/hour, FT
Group Leader	\$10.60 – 13.00/hour, FT
Aides	\$7.80 – 8.80/hour, FT
	\$9.80 – 12.50/hour, PT
	\$9.80-12.50, PT
	\$7.40 – 8.40/hour PT

(These are starting salaries and will undoubtedly go much higher.)

The Director and Assistant Director are eligible for three bonuses per year, based on performance and the revenue of the center. The Director is eligible for 1% of the revenue, and the Assistant Director is eligible for ½ %.

### All full time employees are eligible for the following benefits:

- \*Paid vacation leave – one week after every six months (after 7 years with the company they receive one week every four months).
- \*Paid sick leave – accrued at the rate of four hours per month.
- \*Paid holidays and birthday off
- \*Workers Compensation
- \*Unemployment Insurance
- \*Social Security
- \*Health Insurance – Bright Eyes will pay 70% of monthly fee, currently provided by Kaiser Permanente.
- \*Child Care – Up to one half the pre-school rate per week for one child within licensing regulations, as space permits.
- \*Pension Plan- 401K profit sharing plan
- \*Christmas Bonus - \$100 for every year of service
- \*Dental Insurance – Bright Eyes will pay 70% of monthly fee (Optimum Choice).

### All part time employees are eligible for the following benefits:

- \*Paid vacation leave – equivalent of average number of hours worked per week, after every sick months.
- \*Paid sick leave - .25 times average number of hours per month, accrued every month.
- \*Paid holidays and birthday off- after 6 months continuous service.
- \*Workers Compensation
- \*Social Security
- \*Unemployment Insurance
- \*Pension Plan – 401K profit sharing plan
- \*Christmas Bonus - \$100 for every year of service

**Education Plan** – Available to all full time employees and all Senior Staff and Group Leaders. Bright Eyes will pay for up to 12 semester hours per year, books and tuition. Must be for courses in Early Childhood Education or toward the completion of the Child Development Credential.

## **STAFF ORIENTATION AND TRAINING**

Bright Eyes provides an orientation meeting for all new hires that is mandatory, and required by licensing. During this meeting, we go over licensing regulations, our philosophy, discipline policy, guidelines for reporting abuse and neglect, staff handbook, and attendance policies.

Staff members are offered many opportunities to attend training both on site and at other locations, at Bright Eyes expense. We have brought in trainers from MCCA, Connect for Success, Academy Training, First Connection, Montgomery College, and First Aid and CPR trainers. All staff are required to participate in 6 hours of training per year, although we definitely advocate more. Staff are free to choose which workshops to attend, but we do give them guidance based on our observations of their performance.

Staff are offered opportunities to evaluate their own performance, as well as be evaluated by their Director and the owners.

Bright Eyes will maintain a library or reading materials based on curriculum and child development that is always available to staff.

In addition to the training workshops Bright Eyes strongly encourages all staff members to pursue a degree in Early Childhood Education and provides financial assistance as a benefit. We also work with staff to submit for scholarships through the Early Childhood Enhancement Scholarship offered by Montgomery County. Currently we have a number of staff enrolled at the University of Cincinnati, which provides online accredited degrees in Early Childhood Education.

Bright Eyes is also encouraging staff to apply for the Child Care Credential which gives them bonuses based on their education and experience and provides tuition assistance for training.

## **COMMUNITY OUTREACH**

Bright Eyes will reach out to the families and community at Judith Resnick Park Elementary School. In the past we have conducted canned food drives, collected Toys-for-Tots, conducted Trike-A-Thons for St. Judes hospital, done the Bunny Hop for the Juvenile Diabetes Association, had summer carnivals, and made annual contribution to the schools we share space with. Our children take field trips in the community. We have provided Thanksgiving and Christmas dinners for families in need. We have had bake sales and donated our proceeds to the Tsunami victims and to victims of Hurricane Katrina. Our children have also participated in the Binky Patrol where they decorated quilt squares for blankets to be presented to babies with HIV. At one center, our children helped with a butterfly garden at a nearby Senior Center and had game days and a fashion show for the Seniors. Our staff participates in the Walk for Diabetes each year. We have sponsored vision checks for pre-school children through the Lions Club that were open to all children in the community, not just children in our program.

We will look for ways to be a contributing part of the Judith Resnick Elementary School community, both within and outside the school. It is very important to Bright Eyes that our children and staff are participating members of the community that we are housed in.

## **REGISTRATION AND ADMISSION**

Bright Eyes will give priority admission to the children of the Judith Resnick Elementary School staff, to children and families currently using the child care space at Judith Resnick and then to children and families in the Judith Resnick Park Elementary School district. After that, children are awarded space on a first come, first serve basis. At the present time, all of our centers are operating with waiting lists.

There is no cost and no obligation to be on the waiting list. When spaces open up, we go to the waiting list and start making phone calls. When called, families have the option of placing their children in our program at that time, removing their names from the waiting list, or going to the bottom of the list.

We have operated with a waiting list for several years and have had no problems; most families are placed within a few months of being placed on the waiting list.

## **PARENT ACCESS, COMMUNICATION, AND ROLES**

Bright Eyes believes that the center staff and parents need to work together to provide quality care for the children. Parents are welcome and encouraged to visit Bright Eyes at any time. No appointments are necessary. Parents are also encouraged to participate at Bright Eyes as often as possible. They can be classroom volunteers to read a story, sing songs, rub a back at nap time, dance, assist with an art project, share a hobby or tradition with the children, participate in our Week of the Young Child Activities, or lead a game. They can chaperone on field trips, attend class parties, donate a snack, do a cooking project with the kids, or help decorate the rooms. They can attend conferences. They can attend family dinners or have coffee and donuts with us. They can attend First Aid and CPR classes with our staff. We will need parents to participate on our MSDE Accreditation team. They can give us their suggestions and ideas. They can complete annual evaluation forms.

Parents are a valuable asset and an important part of our program. They are always welcome!!

Bright Eyes will send home memos and monthly newsletters to keep parents informed. Most importantly, Bright Eyes staff will be available to chat with parents daily. Bright Eyes encourages parents to share their feelings, concerns, and suggestions about their child's care. Parent conferences are held yearly but are available whenever necessary. Parents are encouraged to call or drop us a note or E-mail whenever the need arises.

## **DAILY SCHEDULES**

### **Infant Room**

6:30-8 Free play, morning activity  
8:00-8:15 Diapers  
8:15-9:00 Breakfast  
9:00-10:00 Floor play, special activities  
10:00-10:30 Outside Play  
10:30-10:45 Diapers  
11-11:30 Art Experiences  
11:30-11:45 Circle time  
11:45-12:15 Lunch  
12:15-12:30 Diapers  
12:30-2:30 Naps  
2:30-3:00 Diapers, snacks or bottles  
3:00-3:30 Outside play or walks  
3:30-4:30 Floor Play  
4:30-4:45 Diapers  
4:45-5:00 Book Time  
5:00-6:00 Floor Play

### **Two Year Old Room**

6:30-9:00 Arrivals and free play (inside and outside, weather permitting)  
9:00-9:15 Wash hands, get ready for snack  
9:15-9:30 Snack  
9:30-10:15 Outdoor Play  
10:15-10:30 Music, creative movement  
10:30-11:30 Center Play and Activities  
11:30-11:45 Story Time  
11:45-12:00 Wash hands and prepare for lunch  
12:00-12:30 Lunch  
12:30- 12:40 Bathroom time  
12:40- 1:00 Story time, settle down for nap  
1:00-2:30 Naps or quiet time  
2:30-2:45 Put away cots, change diapers  
2:45 – 3:30 Outdoor Play  
3:30 – 3:50 Wash up and snack  
3:50 – 4:00 Clean up  
4:00 – 5:30 Activity and center play  
5:30 – 6:30 Mixed age groups, outdoor or small group activities  
6:00-6:30 Departures

### **Pre-School Daily Schedule**

6:30-8:15 Arrivals and free play  
8:15-8:30 Clean Up  
8:30-9:00 Outside Play  
9:00-9:10 Wash Up  
9:10-9:30 AM Snack and Chat  
9:30-11:00 Centers and projects (small group and large group activities)  
11:00-11:45 Outside Play  
11:45-12:00 Wash up  
12:00-12:30 Lunch  
12:30-1:00 Clean Up and Nap Preparations  
1:00-3:00 Story, Nap and Quiet Time  
3:00-3:30 PM Snack and Chat  
3:30-4:15 Outside Play  
4:15-5:00 Centers and skills  
5:00-6:00 Center Play  
6:00-6:30 Mixed ages, outside or small group activities

### **School Age Daily Schedules**

6:30 – 8:40 Arrivals and center play (outside time for those who wish to participate in early outdoor play.)  
8:40 Children clean up and leave for school

3:05 Arrive back from school, attendance taken, children put belongings away  
3:10 Notify Bright Eyes office of any expected children that did not show up  
3:15 – 4:00 Outdoor play, sports, games and free play  
4:00 – 4:15 Snack  
4:15 -5:00 Homework and quiet small group time  
5:00 – 6:00 Active games and activity centers  
6:00 -6:30 Departures, puzzles, table and card games.

## **FOOD SERVICE**

Bright Eyes will provide a morning and afternoon snack. A typical snack menu follows:

Monday	AM – Waffles, juice PM – Tuna fish on pita bread, juice
Tuesday	AM – Bagels, juice PM – Grilled cheese sandwiches, juice
Wednesday	AM – Cereal, milk PM – Graham crackers, juice
Thursday	AM – Crackers, cream cheese, juice PM – Butterscotch pudding, juice
Friday	AM – Fruit cup, milk PM – Oatmeal cookies, juice

Children should bring their lunches from home. We will have microwaves available to heat anything that needs to be heated. Milk is always available. Bright Eyes will also contract with the Food Services division of MCPS so that parents may purchase a hot lunch for their child if they wish. These lunches may be purchased daily or parents may pay weekly for this feature. It is not included in the cost of tuition so that parents may decide if this is a feature they would like to use.

## **SPECIAL PROGRAM FEATURES**

Bright Eyes has grown greatly in the 15 years that we have been operating centers in Montgomery County. We are always looking for ways to improve our programs. We do this by sending home parent evaluations which specifically ask what we can do to improve our program and by asking the children what they are interested in.

In addition we participate in many training opportunities and subscribe to several professional magazines so that we can stay abreast of new and exciting activities to bring to our program. We have adjusted our programs at the two elementary schools that we serve so that we were able to meet the needs of teachers at those schools.

We are currently participating in the Early Reading First Grant. Our participation is enabling us to be a model center for pre-school reading readiness. This program also extends the readiness skills into every other area of the curriculum for pre-school children. We have attended some preliminary training on the Maryland Model for School Readiness and look forward to implementing this in our classrooms as we gain more knowledge. We are using the Maryland State Voluntary Curriculum in our pre-school programs, this helps us to ensure that our children are on track when they enter Kindergarten.

Our pre-school children participate in gymnastic classes, presented by Life for Kids. We bring in monthly guests to our pre-school programs that are both educational and fun. We take many field trips, our school age children swim weekly during the summers. These opportunities are funded by Bright Eyes.

We have computers in the classrooms and offices and have software for children age 2 -12. We have Nintendo for our school age children – but we are very careful about the games they are allowed to use and the amount of time they spend at these activities. Games that promote violence are not allowed.

We have presented Dramatic Arts Workshops for our children. We have had visits from storytellers and magicians.

We have a Recreation Director who visits our programs. He provides sports and organizes competitions among the different Bright Eyes sites during the summer with the school age children. The children love this opportunity.

We encourage our children to participate in community service activities.

We celebrate Stand for Children Day and the Week of the Young Child each year with special activities for our children and families.

## **DISCIPLINE POLICY**

Children will be taught problem solving techniques and encouraged to use their voices in a calm manner to settle disputes. They will be taught the ABC's of the Peacemaking Curriculum.

- A – Ask each party what happened
- B – Brainstorm possible ways it could be handled
- C – Reach a consensus of ways to handle the situation in the future that involve Compromise and Communication.

Children will be expected to use the ABC's to settle disputes. When children find that they are not able to do this they may be asked to remove themselves from the game or situation that is causing the conflict and if necessary to pursue a solitary activity; such as reading a book, doing a puzzle, or independent art work for a period of time.

Parents will be kept informed of their child's behavior. If there is a continual problem a conference may be scheduled and a Behavior Modification Contract may be used.

If a child exhibits behavior that threatens the physical or mental health of any child or staff at Bright Eyes we may terminate the enrollment of the child. However, this is a last resort. Every effort will be made to work with the child and the parents to ensure a successful solution.

Staff are not to use physical force or to humiliate any child enrolled at Bright Eyes. Use of either of these two methods is grounds for immediate dismissal.

Staff members are given a copy of our Discipline Policy and asked to sign it upon employment. Parents are made aware of our policy through our Parent Handbook and written information that is available in our office.

In addition, school age children develop a set of guidelines for appropriate behavior that is typed up and children and parents sign.

## **FIELD TRIPS AND COMMUNITY EXPLORATION**

We know that children learn best from hands on experiences. This fact is what makes field trips an important part of our curriculum. Pre-school children are taken on trips to such places as the pumpkin patch, dentist office, hospital tours, fire stations, the library, to a puppet show, Strathmore Hall, the grocery store, the pet store, a florist shop, Chuck E. Cheese, nearby parks, and many other places.

School age children go swimming in the summer, hiking, bowling, Putt-Putt, Strathmore Hall, Wheaton Regional Park, Meadowside Nature Center, Rainforest Café, to tour a recycling plant, to Montgomery County Airpark, to the movies, or other places of interest.

Transportation for these trips would be provided by Bright Eyes in our bus and vans. (We are in the process of replacing our vans with buses). We have just purchased two new buses that are equipped with built-in child safety seats making transportation for our pre-school and young school-age children safer. Parents are asked to participate on field trips and do occasionally drive.

In addition to these trips we will take nature walks and walking trips in the neighborhood. Sometimes these trips will be to explore and look for certain items. Sometimes it may be to collect trash. Sometimes it may be just for fun.

Field trips are planned to coincide with theme areas and to help children learn more about the neighborhoods where the children live.

## **EXPERIENCE AND HISTORY WITH ACCREDITATION**

Two of Bright Eyes six centers are currently accredited with NAEYC, our Thurgood Marshall center and our Timberlawn Crescent center. Our Damascus and Viers Mill were previously accredited but have now been deferred. In all we have been through the accreditation process 10 times with Viers Mill, Thurgood and Damascus receiving accreditation multiple times. We have found the process to be extremely helpful in helping us to provide a quality program and at the same time extremely frustrating as we have had some experiences with validators that have left a bad taste in our mouth.

We are currently working on our MSDE accreditation at our Viers Mill, Damascus, Trinity United and Glen Haven sites. We have very much enjoyed learning about this accreditation. At Viers Mill we have submitted our paperwork and are waiting for our visit to be scheduled. At the other sites we have formed our teams and are getting everything in order to submit for our visit.

Even though we have had some frustrations with the NAEYC accreditation we very much believe in the goals that it sets for our children and staff. Our only concerns have been with the objectivity of the validation process. We hope that we will be able to find a way to continue or to become accredited through NAEYC with their increased standards and criteria that have recently gone into effect.

We have also received information from NECPA and after completing MSDE at all our centers we will work toward receiving this accreditation also. We feel that any program that will help us to make sure that we are offering high quality programs to our children and families is of value to us.

## ACCREDITATION TIMELINE

If we are selected as the child care provider at Judith Resnick Elementary School we will submit our information to MSDE as soon as we become licensed. We will include MSDE orientation with our staff when we do our staff orientation.

In January 2007, after operating for about five months we will form our Accreditation Team, composed of staff, administrators, and parents and will begin our self-appraisal.

We should complete our self-appraisal within a month and form our Improvement Plan in February 2007.

We should be able to complete all needed improvements by the end of March 2007 and submit to MSDE for an accreditation visit.

## **INSURANCE REQUIREMENTS**

Bright Eyes is currently insured by Erie Insurance Group.

Our Workers Compensation policy number is Q92 2600214M.

The policy provides for \$100,000 each accident

\$500,000 policy limit

\$100,000 each employee

Our Commercial Liability policy is Q44 2650238M.

This policy provides for \$1,000,000 each occurrence and \$2,000,000 policy aggregate. This policy provides coverage for contractual liability, premise and operations and independent contractors. It is an Ultra Flex policy that is very comprehensive.

Our Automobile policy is Q03 1630190M7.

This policy provides \$1,000,000 each occurrence for Bodily Injury and Property Damage, \$500,000 per person and includes owned automobiles, hired automobiles and non-owned automobiles.

Our policy currently lists Montgomery County as an additional insured and copies of the policy are provided to Montgomery County Government, Division of Risk Management, 101 Monroe St., 15<sup>th</sup> Floor, Rockville, Md. 20850.

Our policy will contain a 60 day cancellation clause and the Certificate Holder will be

Montgomery County, Maryland  
Division of Risk Management  
101 Monroe St., 15<sup>th</sup> Floor  
Rockville, Md. 20850

If Bright Eyes is chosen as the provider for this site the policies will be amended to include the new location.

Statement of Financial Responsibility

1. Is the applicant a subsidiary of or affiliated with any other organizations(s), corporation(s), or any other firm(s)?

YES \_\_\_\_\_

NO XX \_\_\_\_\_

If yes, list each such organization, corporation or firm by name and address; specify the applicant's relationship, and identify the officers, directors or trustees common to the applicant:

2. Describe the plan for financing the program, if funds for the leasing of the facility and operating the program will be obtained from sources other the applicant's funds.

This program will be financed totally with funds currently in Bright Eyes Accounts.

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3. List sources and amount of cash available to meet equity requirements of the proposed venture:

- a. in banks (include names, addresses, telephone numbers and amounts)

Bank of America, 12125 Viers Mill Rd., Silver Spring, Md. 301-515-8408, \$300,000.

Mercantile Potomac Bank, 702 Russell Ave., Gaithersburg, Md. 888-345-1500, \$90,000

- b. by loans from affiliated or associated organization, corporation, or firms (include names, addresses, telephone numbers and amounts)

N/A

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4. List the names and addresses of all bank references

Bank of America, 12125 Viers Mill Rd., Silver Spring, Md. 20906

Mercantile Potomac Bank, 702 Russell Ave., Gaithersburg, Md 20877

5. Financial condition of applicant — attach previous two years financial statements.

6. Bankruptcy:

Has the applicant or, if applicable, the parent corporation or any subsidiary or affiliated corporation of the applicant or said parent corporation, or other interested parties been adjudged bankrupt, either voluntarily or involuntarily, within the past ten years?

YES \_\_\_\_\_

NO XX

If yes, give date, place and under what name:

7. Personal Interest: Does any member of the governing body of Montgomery County, Maryland, to which the accompanying application is being made, or any officer or employee of the aforesaid County who exercises any functions or responsibilities in connection with the carrying out of the project under which the program covered by the applicant's proposal is being made available, have any direct or indirect personal interest in the applicant?

YES \_\_\_\_\_

NO XX

8. If the applicant wishes, additional statements can be attached as evidence of the applicant's qualifications and/or financial responsibility.

**CERTIFICATION**

I (We) Diana and Paul Holzberger  
Certify that this applicant's Statement of Qualifications and Financial Responsibility and  
the attached information of the applicant's qualification and financial responsibility are  
true and correct.

I (We) also agree to comply with conditions stated in Montgomery County lease  
for child care spaced and that the scope of services as submitted in this completed  
application will be adhered to.

Diana Holzberger  
Name

Paul Holzberger  
Name

President  
Title

Vice-President  
Title

25114 Vista Ridge Rd.  
Address

25114 Vista Ridge Rd.  
Address

Gaithersburg, Md. 20882  
City, State and Zip

Gaithersburg, Md. 20882  
City, State and Zip

Diana Holzberger  
Signature

Paul Holzberger  
Signature

March 13, 2006  
Date

March 13, 2006  
Date

## NOTIFICATION OF PROPRIETARY INFORMATION

Please use this form to identify and **financial information** included in your application for child care space at the Judith Resnick Elementary School Child Care Facility which is not Public Information.

Name of Applicant Bright Eyes, Inc.

Paul and Diana Holzberger

Indicate specific pages or attachments which are proprietary financial information:

Pages 26, 27 and attached financial statement

Signature Diana Holzberger / Paul Holzberger

Date March 13, 2006

Please return this form with your application.

ATTACHMENT A

## START UP BUDGET

### Personnel

Salaries	Officers	\$ 0
	Director	\$ 525
	Senior Staff/Group Leaders	\$ 525
	Aides	\$ 300
	Personnel costs prior to opening	<b>\$1350</b>

### Office Equipment

Desk, chairs, files	\$ 700
Telephone & Installation	\$ 350
Photocopy Machine	\$2500
Office Supplies	\$ 500

Office Equipment costs prior to opening	<b>\$4050</b>
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### Program Equipment & Supplies

Rocking Chairs	\$ 330
Cots	\$1065
Tables and Chairs	\$1299
Shelves	\$2000
Unit Blocks & Accessories	\$2820
Dramatic Play	\$2000
Sand/Water tables	\$ 400
Art Supplies	\$1500
Outdoor Toys	\$ 650
Table Toys, Puzzles	\$2500
Books	\$ 750
Storage Containers	\$ 400
Adult Size Chairs	\$ 250
Music & Listening Stations	\$ 600
Math & Science	\$ 800
Easels	\$ 940
Cribs	\$1500
High Chairs	\$ 210
Infant Room Accessories	\$1650
Infant Changing Table	\$ 440
Infant 6 baby stroller	\$1000
School Age Cubbies	\$1500
Book Storage units	\$ 500
Program Equipment costs prior to opening	<b>\$25,104</b>

<b>Housekeeping Supplies</b>	
Brooms, dustpans, mops, trashcans, etc...	\$ 400
Housekeeping costs prior to opening	<b>\$ 400</b>
<b>Food and Kitchen</b>	
Paper Products	\$ 200
Kitchen equipment	\$ 300
Food	\$ 350
Table and Chairs	\$ 450
Microwaves	\$ 500
Food and Kitchen costs prior to opening	<b>\$1800</b>
<b>Electronics</b>	
TV, VCR, and Cart	\$1100
3 CD Rom computers	\$3000
Stationery Stand	\$ 140
Mobile Stand	\$ 200
Games Cube and games	\$ 400
Computer Software	\$ 400
Electronic costs prior to opening	<b>\$5240</b>
<b>Miscellaneous</b>	
Printing	\$1300
Insurance	\$ 400
Operating Cash	\$2000
Miscellaneous costs prior to opening	<b>\$3700</b>
<b>Total start up expenses</b>	<b>\$41,644</b>

## OPERATING BUDGET

Income – Parent Fees (based on 70% capacity enrollment)  
\$453,443.00

### Expenses

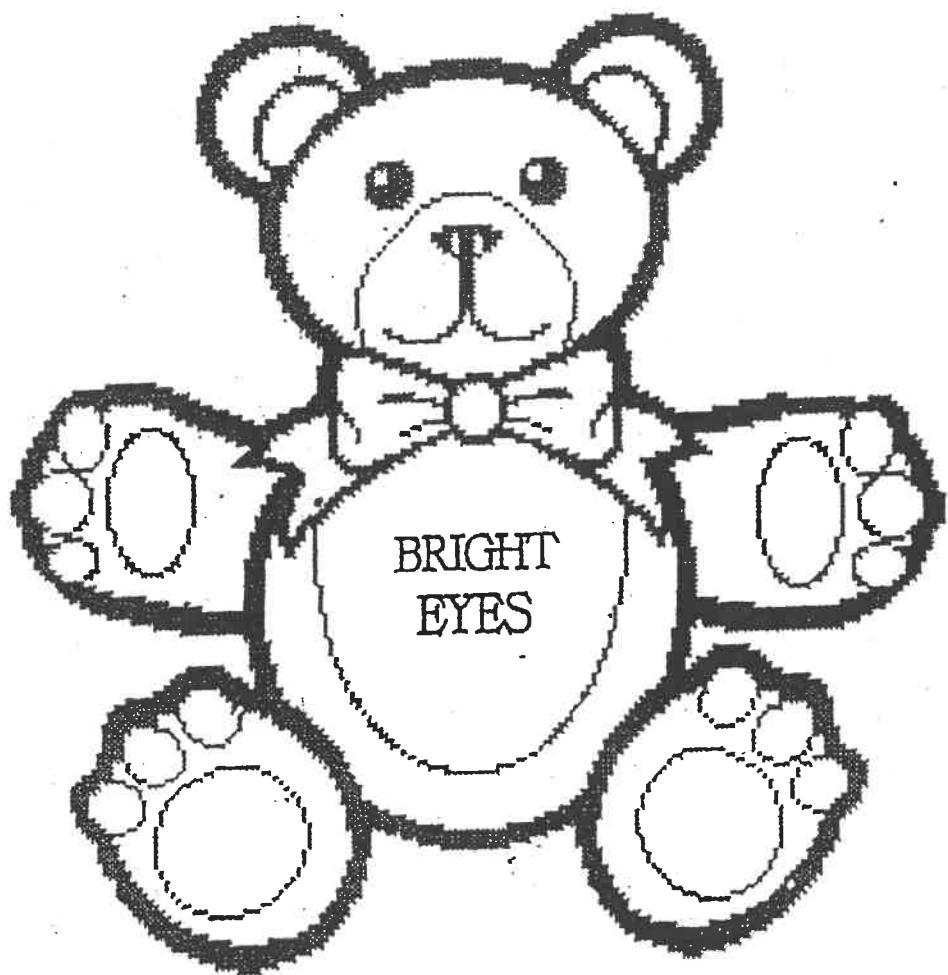
Accounting	\$ 2000
Office Expenses	\$ 1500
Depreciation	\$ 5000
Food	\$ 5750
Insurance	\$ 1400
Art Supplies	\$ 4000
Toy Replacement	\$ 10000
Printing	\$ 1750
Rent (Montgomery County)	\$ 28056
Repairs/Maintenance	\$ 1000
Salaries	\$286520
Taxes	\$ 19190
Workshops	\$ 2000
Housekeeping supplies/paper	
Products	\$ 2500
Dues/Subscriptions	\$ 700
Books & Videos	\$ 3000
Christmas Bonuses	\$ 1200
Health Insurance	\$ 20500
Field Trips	\$ 2000
Petty Cash	\$ 3600
Advertising	\$ 2500
Visitors to the Program	\$ 4420
Education Benefit	\$ 10000
Bus	\$ 7200
Pension (N/A first year)	\$
Telephone	\$ 1200
 Total Expenses	 \$422,986

### Attachment A

## OPERATING BUDGET

Income – Parent Fees (Based on 70% capacity enrollment)  
~~350,000~~

## ATTACHMENT B



## STAFF HANDBOOK

## PHILOSOPHY

The philosophy of Bright Eyes Child Care Center is to:

- \*Provide a loving, stimulating environment where children are free to grow while in the care of gentle, warm caregivers:
- \*To provide children with a program in which they can grow physically, emotionally, socially, and cognitively at their own pace:
- \*Provide children with a developmentally appropriate curriculum:
- \*To help children celebrate and share their culture:
- \*Respect all children and help them to respect themselves and others.

Our objectives are to:

- \*Provide a quality child care center, sensitive to the needs of the whole family:
- \*Encourage parent involvement in our program:
- \*Provide programs and activities that are stimulating and varied:
- \*Encourage children to develop self-control and learn peaceful conflict resolution skills:
- \*To work with the family as a team to provide the best possible care for the child.

## ATTENDANCE

You are expected to report for work as scheduled. If an illness or family emergency will prevent you from reporting to work or will cause you to be late, you are expected to contact the Director as soon as possible. Whenever possible, this should be done no later than two hours before your scheduled arrival time so that provisions for a substitute can be made. We are committed to maintain proper staff/child ratios and ask for your consideration when you will be absent or late. A Tardy and Absentee guideline will be given to you on your first day of work.

We reserve the right to request documentation from a physician for sick leave.

## SICK LEAVE

Sick leave will start accruing after the first full month of employment. Sick leave will be accrued at the rate of 1/2 day leave per month for full-time employees, 4 hours maximum. Part-time employees will accrue leave at the rate of .25 times average number of hours worked per week, accrued every month.

Leave will be calculated for you each month and you will receive notification of how much leave you have. You may accrue as much sick leave as you like, but, any unused sick leave upon termination of employment is forfeited.

## VACATIONS

Leave must be requested at least two weeks in advance. All vacation leave must be approved by center owners. Leave will be approved based on seniority, which follows these guidelines:

1. Level of employment
2. Full time over part time
3. Length of service
4. If all other things are equal, first come first serve.

Please do not make reservations or buy tickets until your leave has been approved. The center does not have to approve time off if you do not have leave accrued to cover it.

If you do take approved time off without leave, your annual raise evaluation will be moved back accordingly and you will not accrue sick leave or vacation during that time.

#### JURY DUTY

Employees will be granted paid leave (jury salary will be deducted) for jury duty, up to 5 days. Documentation will be requested.

#### DEATH OF AN IMMEDIATE FAMILY MEMBER

Leave will be granted for the death of an immediate family member (spouse, child, parent, parent-in-law, sister, or brother). Full time employees will receive up to three days. Part time employees will receive paid leave up to three days, based on your work schedule.

#### HOLIDAYS

Bright Eyes will be closed on the following holidays:

New Year's Eve	Memorial Day
New Year's Day	Independence Day
Martin Luther King's B'Day	Labor Day
Presidents Day	Thanksgiving & Friday
Good Friday	Christmas Eve
Easter Monday	Christmas Day

Full time employees will receive holiday pay from date of employment. Part-time employees will receive holiday pay after six months, based on your work schedule.

#### EQUAL OPPORTUNITY

Bright Eyes does not discriminate in regard to race, sex, nationality and/or ethnic origin, or sexual preference.

#### PROBATION

All new employees will be on a 30 day probationary period and may be terminated at any time during that period. At the end of 30 days, the employee will either be hired or will have their probationary period extended for 30 more days. This decision will be based on evaluations made by Director and owners during this period.

#### EVALUATIONS AND SALARY INCREASES

All employees will receive written evaluations, designed to increase effectiveness and give guidance. These evaluations will be used as a tool in determining salary increases. Every employee will receive an annual salary increase based on merit.

## TRAINING

You will be offered many opportunities for continued training, both within the center and the community. Staff is required to take advantage of these opportunities. All staff must complete 12 hours of training per year. CPR and First Aid training is also required. Bright Eyes will pay for these trainings however staff is required to donate the time towards this professional development.

## GROUNDS FOR DISMISSAL

Immediate grounds for dismissal:

1. Physical force with a child.
2. Drug or alcohol use on the job.
3. Reporting for work intoxicated or under the influence.
4. Insubordination.
5. Any illegal activity.
6. Not showing up for work, with no call.
7. Time card fraud.

Dismissal after warning:

1. Failure to comply with licensing regulations.
2. Consistent failure to carry out assigned duties.
3. Consistent failure to perform within the bounds of the program philosophy.
4. Excessive tardiness.
5. Excessive absences.

## DISCIPLINE

All staff members will be given a copy of the Bright Eyes discipline policy and asked to sign it on their first day of work.

## TELEPHONE CALLS

Local, outgoing calls may be made during staff breaks and lunch. No long distance calls may be made without prior permission from the Director (you will be responsible for the expense.)

Incoming calls will be limited to emergencies when you are in the classroom. Phone messages will be relayed to you.

Remember the phone is a business phone, all calls need to be short and you must pick up call waiting should you be on the phone.

## SMOKING

Smoking is prohibited on the center premises. Staff are encouraged to be positive role models for the children.

### DRESS CODE

Casual dress is recommended to allow for active involvement with the children. Clothing should be clean and in good repair. Clothing that could be considered suggestive is forbidden, as are shirts that display alcohol, cigarettes, weapons, or inappropriate language. Shoes should be worn at all times.

### COMPLETING YOUR TIME CARD

You should complete your time card each day when you report for work and when you leave. You should not sign in early or work late unless you are requested to do so by the Director, Assistant Director, or one of the owners. If you report for work after your scheduled start time you should sign in at the time that you arrive, not at the time that you were scheduled.

You should sign out on your time card for any lunch breaks and any personal time (e.g. Dr. appointment etc...) that you take.

It is your responsibility to make sure your time card is complete, legible and signed at the end of the week. If it is not, your pay check may not be complete.

### COMMUNICATIONS PATH AND GRIEVANCE PROCEDURES

Bright Eyes encourages each employee to communicate with the center Director on any matter that is of concern. If an individual needs information or advice or wishes to express a suggestions, criticism, or grievance (s)he is encouraged to speak the Director.

The center's policy is to provide information or advice and to respond to the suggestion or criticism as soon as possible. In the case of a grievance the Director will communicate to the employee what steps will be taken to resolve the issue. The intent of this policy is to encourage direct and open communication that resolves difficulties and utilizes employee's ideas when feasible.

1. When an employee seeks information or advice or wants to state a grievance or criticism, (s)he should first contact the Director.

2. The Director should respond or follow up on the issue within a 24 hour period. If appropriate action cannot be completed with that time period, the employee should be told, if possible, what steps are being taken and when and how the issue will be resolved.

3. If the issue is not satisfactorily resolved, the employee may then raise the issue with the center owners. The owners will investigate the issue and arrive at a solution. The Director and the employee would both be consulted. The owner's decision would be binding to all parties involved.

#### CHANGES IN PERSONNEL DATA

We need to maintain up-to-date information about you so we are able to aid you and/or your family in matters of personal emergency.

Changes in name, address, telephone number, marital status, number of dependents or changes in next of kin should be given to the Director promptly.

#### CARE OF EQUIPMENT

You are expected to use proper care when using Bright Eyes's property and equipment. We ask especially that you ensure that children's games, toys and puzzles that have many pieces and parts be returned carefully to their storage containers. Also, please ensure that computers are used appropriately and the software (CD's) are stored properly.

No property may be removed from Bright Eyes without asking the Director. If you lose, break, or damage any property, report it to the Director at once.

#### IF YOU MUST LEAVE US

Should you decide to leave your employment with us, we ask that you provide the Director with at least two weeks written notice. Your thoughtfulness will be appreciated and will be noted favorably should you ever wish to reapply at Bright Eyes.

Employees who wish to be re-hired after a break in service must go through routine employment procedures, such as an interview and filling out an application. Employees who are re-hired after a break in service, other than an approved leave of absence, must serve a new probationary period. Such employees are now considered new employees from the effective date of their re-employment for all purposes, including the purpose of measuring benefits.

Before the employee will receive their final paycheck they will need to return any Bright Eyes property, keys and have turned in their written notice.

Please notify Bright Eyes if you address changes during the calendar year in which termination occurs so that your tax information can be sent to the proper address.

### STAFF BENEFITS

#### Full time staff benefits:

Paid vacation leave - one week after every six months, after 7 years with the company receive one week every four months.

Paid sick leave - accrued at the rate of four hours per month.

Paid holidays

Workers Compensation

Unemployment Insurance

Social Security

Health Insurance - Bright Eyes will pay 70% of monthly fee towards a health insurance policy. Our current provider is Kaiser.

Child Care - Up to one half pre-school rate credit for child care, within licensing regulations, as space permits.

Pension Plan - Totally funded, for all full time employees, over the age of 20, after one year continuous service.

Christmas bonus - \$100 for every full year of service.

Dental Insurance - Bright Eyes will pay 70% of monthly fee. (Optimum Choice)

#### Part time staff benefits:

Paid vacation leave - equivalent of average number of hours worked per week, after every six months- after 7 years accrued every 4 months..

Paid sick leave - .25 times average number of hours per month, accrued every month

Paid holidays - after six months continuous service

Workers Compensation

Social Security

Unemployment Insurance

Pension Plan - Totally company funded, for all part time employees, over the age of 20, who average 20 or more hours per week, after one year continuous service.

Christmas Bonus - \$100 for every full year of service.

Education Plan - Available to all full time employees and all Senior Staff and Group Leaders. Bright Eyes will pay for up to 12 semester hours per year, books and tuition. Must be for courses in Early Childhood Education or toward completion of the Child Development Credential.

### PROFESSIONAL CODE AND ETHICS

\*We will strive to always continue our education.

\*We will strive to always be professional in our conduct.

\*We will always provide children with a safe, healthy, nurturing environment.

\*We will develop relationships of mutual trust with the families we serve.

- \*We will always provide children with a safe, healthy, nurturing environment.
- \*We will develop relationships of mutual trust with the families we serve.
- \*We will keep any information we learn about families or children confidential.
- \*We will love and protect all children.

#### IMPORTANT INFORMATION

- \*Check your mailbox daily for correspondence.
- \*Paychecks will be issued on Thursday for the preceding week.
- \*No food (except snacks being served), gum or sodas (unless placed in a coffee mug) will be allowed in the classroom.
- \*Use your lunch hour to eat your lunch. Do not take your break and then come back and eat in the classroom when you are to be interacting with the children.
- \*Be familiar with the snow policy. If Montgomery County Public Schools open late or close we will open one hour late. If the Administrative offices close or open late we will follow their schedule. Call the center when in doubt.

WHENEVER YOU HAVE QUESTIONS LET US KNOW!!

I have read the foregoing staff handbook and I am familiar with its terms. I understand that it is not a binding contract, but a set of guidelines for the implementation of personnel policies. I understand that Bright Eyes may modify any of the provisions of this handbook at any time. I also understand that, notwithstanding any of the provisions of this handbook I am employed on an at-will basis. My employment may be terminated at any time, either by me or by Bright Eyes, with or without cause.

DATED \_\_\_\_\_

SIGNED \_\_\_\_\_

# ATTACHMENT C

# Coming Soon to your Neighborhood - Bright Eyes Child Care

Located at Judith Resnick  
Elementary School  
Serving children from 6  
weeks-12 years.

6:30 AM - 6:30 PM, year round  
Part-time/Full time options  
Before and/or after school  
Developmentally Appropriate  
Curriculum.

Call our Gaithersburg Center  
for more information,  
301-948-8373, ask for Francine

# ATTACHMENT D

# EVALUATION FORM

Our center's staff recognizes the importance of home-center relationships and communications in promoting the development of your child. So that we can continue to provide quality care for your child, please take the time to complete this questionnaire and provide us with feedback concerning our relationship with you and your child. Your opinions and concerns are important to us.

We greatly value the information that your answers to these questions provide. We would also appreciate any additional comments, concerns, or suggestions you might have. Please use the back of this form for that purpose. Thank you.



1. My child has been enrolled at Bright Eyes for \_\_\_\_\_
2. I have opportunities to chat with my child's caregivers  
 daily       weekly       monthly
3. Feedback on my child is usually delivered to me  
 personally       in writing       by telephone
4. When having to discuss my child with center staff, I feel  
 comfortable       uncomfortable
5. I feel that the program and themes at Bright Eyes  
 meet my child's needs       do not meet my child's needs
6. My child's caregivers can best be described as  
\_\_\_\_\_
7. The forms of discipline that are used are  
 satisfactory       unsatisfactory
8. I have had opportunities to participate in the program  
 once       often       never       I do not have time to participate
10. My favorite thing about the program is  
\_\_\_\_\_
11. If I could change one thing about the program, it would be  
\_\_\_\_\_

# ATTACHMENT E

# CHILD CARE CONTRACT

Child's Name: \_\_\_\_\_

Days/Hours Care Required: \_\_\_\_\_



1. I agree to pay Bright Eyes a \$ \_\_\_\_\_ registration fee at the time of enrollment.
2. I agree to pay a 1-week deposit (that will be credited to my last week of care, with proper notice), in addition to my first week's fee, the first day of care.
3. I agree to pay on Monday (or the first day of the week that my child attends) of each week the sum of \$ \_\_\_\_\_. A late payment fee of \$5 per day will be added for each day that payment is not received. If payment is not made by Friday, my child's enrollment may be terminated and I will not be refunded my deposit. I also agree that I will pay (without protest) any collection fees and/or legal fees incurred in the collection of amounts due under this contract.
4. I agree to give 2 weeks' written notice upon termination of the child care contract or I forfeit my deposit.
5. I understand that the fee is a set rate and I will not receive any refund or discount for absences, vacations, holidays, or snow days.
6. I understand that if my child is picked up late, I will be charged \$5 for every 10 minutes or fraction of that time, per child. Two late pickups within a 30-day period may result in termination.
7. I understand that there is a \$ \_\_\_\_\_ fee on all checks returned by the bank. After two returned checks, I may be required to make future payments in cash or by money order.
8. I understand that Bright Eyes will be closed on the following holidays:

New Year's Eve

Independence Day

New Year's Day

Labor Day

Martin Luther King's Birthday

Thanksgiving

Presidents' Day

Friday after Thanksgiving

Good Friday

Christmas Eve

Easter Monday

Christmas Day

Memorial Day

9. I understand that outdoor play is part of the curriculum and will be included daily. All children will be expected to participate.
10. I have read the snow policy in the Parent Handbook and understand it.
11. I have been given a copy of the Parent Handbook. I agree to abide by all the policies outlined and agree to pay all fees as have been described. I have also read the conditions of this contract. I understand and accept each condition.

Parent Signature \_\_\_\_\_

Expiration Date \_\_\_\_\_

# ATTACHMENT F

## PARENT HANDBOOK

The Parent Handbook attached is the one presently in use.



# PARENT HANDBOOK

# ATTACHMENT G

**ATTACHMENT G**

**Bright Eyes is a for-profit corporation.**

FINANCIAL  
STATEMENTS

**BRIGHT EYES, INC.**  
**COMPILED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

## TABLE OF CONTENTS

Accountant's Report. . . . .	1
Financial Statements	
Assets, Liabilities, and Equity - Income	
Tax Basis . . . . .	2
Statement of Revenue, Expenses, and Retained	
Earnings - Income Tax Basis. . . . .	3
Notes to the financial statements. . . . .	4-6

**Michael J. Lerche  
Certified Public Accountant**

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12929 McCubbin Lane  
Germantown, MD 20874  
Phone (301) 515-8114

To the Board of Directors  
Bright Eyes, Inc.  
Gaithersburg, MD 20882

I have compiled the accompanying statement of assets, liabilities and equity-income tax basis of Bright Eyes, Inc. as of December 31, 2005 and 2004 and the related statements of revenue, expenses, and retained earnings-income tax basis, for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

I am not independent with respect to Bright Eyes, Inc.

*mJL, CPA*

Germantown, Maryland  
March 3, 2006

**BRIGHT EYES, INC.**  
**ASSETS, LIABILITIES, AND EQUITY-INCOME TAX BASIS**  
**DECEMBER 31, 2005 AND 2004**

	<u>2005</u>	<u>2004</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 377,992	\$ 272,023
Prepaid income taxes	-0-	2,219
Deposits	5,000	5,000
Employee advances	-0-	65
	<hr/>	<hr/>
Total current assets	\$ 382,992	\$ 279,307
<b>PROPERTY AND EQUIPMENT</b>		
Equipment, furniture and vehicles	\$ 340,320	\$ 301,222
Less: Accumulated depreciation	( 296,639)	( 267,515)
Net property and equipment	<u>\$ 43,681</u>	<u>\$ 33,707</u>
<b>TOTAL ASSETS</b>	<u>\$ 426,673</u>	<u>\$ 313,014</u>
	<hr/>	<hr/>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Payroll taxes payable	\$ 1,941	\$ 2,763
Accrued expenses	10,265	12,608
Federal income taxes payable	20,953	-0-
Current portion of long-term debt	<u>18,780</u>	<u>13,836</u>
	<hr/>	<hr/>
Total current liabilities	\$ 51,939	\$ 29,207
<b>LONG-TERM DEBT</b>	<u>\$ 39,944</u>	<u>\$ 40,357</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 91,883</u>	<u>\$ 69,564</u>
	<hr/>	<hr/>
<b>STOCKHOLDER'S EQUITY</b>		
Common stock 1,000 shares, no par value, authorized; 200 shares issued and outstanding	\$ 1,000	\$ 1,000
Paid-in capital	149	149
Retained earnings	<u>333,641</u>	<u>242,301</u>
Total stockholder's equity	<u>334,790</u>	<u>243,450</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<u>\$ 426,673</u>	<u>\$ 313,014</u>
	<hr/>	<hr/>

See accountant's compilation report.

**BRIGHT EYES, INC.**  
**STATEMENT OF REVENUE, EXPENSES, AND**  
**RETAINED EARNINGS-INCOME TAX BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<u>2005</u>	<u>2004</u>
<b>INCOME</b>	<b><u>\$2,895,435</u></b>	<b><u>\$2,178,311</u></b>
<b>EXPENSES</b>		
Advertising	\$ 14,602	\$ 6,227
Automobile expense	15,957	14,856
Bank charges	1,870	1,031
Books and movies	1,831	1,547
Charitable contributions	3,760	2,000
Depreciation	29,124	86,432
Dues and subscriptions	2,941	4,396
Education expense	3,217	3,635
Educational material, supplies and trips	95,070	70,674
Food	40,369	29,100
Gifts	2,475	2,457
Insurance	117,776	103,667
Interest	3,657	2,230
Legal and accounting	5,180	5,025
Office supplies and expense	769	786
Outside services	39,427	36,676
Rent	190,766	138,235
Retirement plan contribution	34,274	32,187
Retirement plan administration	1,500	5,257
Repairs and maintenance	5,530	1,989
Salaries	1,987,051	1,454,733
Taxes - income	40,315	10,281
Taxes - payroll	153,106	115,546
Taxes - other	1,977	909
Telephone	8,209	8,032
Workshops	2,342	1,980
 Total expenses	 <u>\$2,803,095</u>	 <u>\$2,139,888</u>
<b>NET REVENUE OR (LOSS)</b>	<b>\$ 92,340</b>	<b>\$ 38,423</b>
<b>RETAINED EARNINGS - BEGINNING</b>	<b>242,301</b>	<b>203,878</b>
<b>DIVIDENDS PAID</b>	<b>( 1,000 )</b>	<b>( -0- )</b>
<b>RETAINED EARNINGS - ENDING</b>	<b>\$ 333,641</b>	<b>\$ 242,301</b>
	=====	=====

See accountant's compilation report.

BRIGHT EYES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004

**NOTE A - INCOME TAX BASIS OF ACCOUNTING**

The corporation's policy is to prepare its financial statements on the income tax basis of accounting; consequently, capital assets are expensed under the Modified Accelerated Cost Recovery System in the year of purchase. Such assets would, under generally accepted accounting principles, be capitalized and depreciated over their useful lives.

**NOTE B - NATURE OF OPERATIONS**

The corporation maintains six daycare facilities located in separate facilities leased in Montgomery County. The centers offer a full range of childcare services.

**NOTE C - PROPERTY AND EQUIPMENT**

Property and equipment are summarized by major classifications as follows:

	<u>2005</u>	<u>2004</u>
Furniture and Equipment	\$ 131,328	\$ 124,242
Program Toys	18,169	18,169
Vehicles	190,823	158,811
	340,320	301,222
Less accumulated depreciation	<u>( 296,639)</u>	<u>( 267,515)</u>
	\$ 43,681	\$ 33,707
	=====	=====

Program Toys are capitalized in the year of start-up and replacements and subsequent purchases are expensed in the year of purchase under educational materials and supplies.

**NOTE D - LEASING ARRANGEMENTS**

The corporation conducts its operations from six separate facilities that are leased under various operating leases ending in August 2006, and June and August 2007. Future minimum rental payments for 2006 are \$ 156,500 and 2007 are \$ 93,700.

**BRIGHT EYES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005 AND 2004**

**NOTE E - LONG-TERM NOTES PAYABLE**

Long-term notes payable at December 31, 2005 and 2004, consisted of the following:

	<u>2005</u>	<u>2004</u>
Note payable to Potomac Valley Bank with interest at 5.25%, \$ 792 monthly, due June 2009, secured by Company Bus	\$ 30,296	\$ 37,967
Note payable to Market USA FCU with interest at 5.88%, \$ 583 monthly, due June 2007, secured by Company Bus	\$ 10,020	\$ 16,225
Note payable Infiniti Financial with Interest at 5.50%, due January 2010, Secured by Company Vehicle	<u>\$ 18,408</u>	<u>\$ -0-</u>
	<u>\$ 58,724</u>	<u>\$ 54,192</u>
	<u>=====</u>	<u>=====</u>

Maturities of long-term debt are follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2006	\$ 18,780
2007	16,399
2008	13,610
2009	9,516
2010	419
	<u>-----</u>
	<u>\$ 58,724</u>
	<u>=====</u>

**NOTE F - RETIREMENT PLAN**

The corporation has a 401-K profit sharing plan covering substantially all of its full time employees. The corporation matches a percentage of employees electing deferrals on their compensation. The corporation elects an annual contribution to the profit sharing plan that is at the discretion of the Board of Directors and is allocated to each eligible employee in proportion to compensation of all eligible employees. Contributions to the plan totaled \$ 34,274 for 2005 and \$ 32,187 for 2004.

BRIGHT EYES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004

**NOTE F - INCOME TAXES**

The corporation's Federal and Maryland tax obligations are included in the financial statements. No deferred obligation has been accrued since the financial statements are based upon the income tax method of accounting. Income taxes and estimates paid for 2005 totaled \$ 40,315 and for 2004 \$ 10,281.

**"Procedure for Implementing the Revised Policy  
for Waivers of Capital Cost Fee"**

In the February 1991 Fee Structure and Debt Service Report certain specific provisions for waiver of capital cost recovery fee were recommended for inclusion in the County policy for Rental Rates for Child Care. These recommendations were approved in April 1991.

Centers which meet any of the following criteria for waiver may apply in writing for waiver of the capital cost fee. The waiver which shall apply to the entire facility. Waiver application must be submitted at annual lease renewal.

- 1) The Center shall enroll and provide care to families eligible for or enrolled in Child Care tuition subsidy programs (D.S.S. Purchase of Care and/or Working Parents Assistance Program); Families receiving subsidy shall comprise at least 30% of licensed capacity; the provider shall accept as full tuition payment the face value of vouchers issued by the DSS Purchase of Care Program. Written verification of meeting this requirement shall be required.
- 2) The provider will serve Infants and Toddlers in Child Care, as defined by the State of Maryland Child Care licensing regulations for Group Child Care; the children served will be in space administered, operated or funded by Montgomery County Government, specifically for Infant Care and/or required by tenant selection for that specific center.

Other sites which may choose to offer care to infants are not automatically granted waiver, but will be considered on a case by case basis. Determination of waiver application will be made jointly by DFS and DFR based on demonstrated community need.

- 3) The provider will serve children with handicapping conditions. Waiver will be considered on a case by case basis for sites which meet the following criteria:
  - child or children must be designated as child with handicapping conditions by physician or authorized agency.
  - an approved plan for special need care must be on file with Child Care Administration
  - provider must document that enrollment of the child(ren) causes substantial additional cost to the program (additional staff, space modification, specialized equipment) and that this cost has ongoing impact to financial viability of program.
- 4) Annual certification with documentation shall be required. Waivers will be forfeited by programs which provide incomplete or inaccurate information. If determined by DFS and DFR that waivers were not legitimate for a lease year, the capital cost fee for that year may be applied to the following lease year.
- 5) Centers may apply for consideration of waiver if #1 and #4 partially apply. DFS may waive all or a portion of capital cost fee if cost to program is equal to or greater than capital cost fee.

APPLICATION FOR WAIVER OF CAPITAL COST RECOVERY FEE

Indicate which waiver provision(s) your program is applying for

1. 30% Voucher Service
2. Infant Care
3. Special Needs Care

Indicate time period (this should match your annual lease term)

Start date \_\_\_\_\_

End date \_\_\_\_\_

Explain how your program meets the provisions of the waiver policy and present and present documentation for verification by County Government. (you may use additional pages as necessary).

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I (we) certify that this Waiver Application and any attached documentation are true and correct to the best of my (our) knowledge and belief:

Name \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

City, State and Zip \_\_\_\_\_

City, State and Zip \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

## Child Care Equipment Inventory



**Facility Address:** Judith Resnick Elementary School  
7301 Hadley Farms Drive, Gaithersburg, Maryland  
**Provider Name:** Birght Eyes, Inc.

Check box to indicate who provided the item



## Exhibit E

### INSURANCE REQUIREMENTS:

A. Licensee agrees to obtain and maintain, during the full term of this License, a policy of liability insurance with minimum combined bodily injury and property damage in the amount of TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) for each occurrence, and TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) in the aggregate. Licensee agrees to provide a one (1) year discovery period under the policy. Such policy shall be issued by an insurance company licensed in the State of Maryland and acceptable to the County, which policy must include the following coverage:

1. Contractual Liability
2. Premises and Operations
3. Independent Contractors
4. Products and Completed Operations during and for two years following completion of the work.

B. Licensee agrees to obtain and maintain, during the term of this License, a policy of Workers' Compensation and Employers' Liability coverage. The Workers' Compensation policy must be in amounts as required by statute and the Employers' Liability Policy must be in amounts of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000) for each accident for bodily injury by accident, FIVE HUNDRED THOUSAND (\$500,000) DOLLARS for policy limits for bodily injury by disease and ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000) each employee for bodily injury by disease.

C. Licensee agrees to obtain and maintain during the License Term or any Renewal Term of this License, and until all of the Licensee's obligations which survive termination of this License have been completed, a policy of professional liability insurance covering errors and omissions and negligent acts committed during the License Term and any Renewal Term, with a limit of liability in the amount of ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) for each occurrence, and ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) in the aggregate and a maximum deductible of TWENTY-FIVE THOUSAND DOLLARS (\$25,000). Licensee agrees to provide a one (1) year discovery period under the policy.

D. Licensee must obtain and maintain a minimum limit of liability of one million dollars (\$1,000,000), combined single limit, for bodily injury and property damage coverage per occurrence including the following:

1. Owned Automobiles
2. Hired Automobiles
3. Non-owned Automobiles

D. Licensee must maintain adequate fire, theft and vandalism insurance for the contents on the Licensed Premises.

**EXHIBIT E**