

NOTICE OF MEETING AND AGENDA

**GDC BOARD OF DIRECTORS
OPEN MEETING**

Begins at 7:45 pm

Thursday, November 17, 2022

VIRTUAL ZOOM MEETING ROOM
Members & Visitors may attend remotely.

1. Approval of Agenda

2. Visitors (Comment Period)

3. For Discussion/Action

- | | | |
|---|------------|-------------------|
| a. Proposed 2023 GDC Operating Budget (Attachment #1) | 10 Minutes | Discussion/Action |
| b. 2023 Property Management Agreement Between GDC and GHI (Attachment #2) | 2 Minutes | Discussion/Action |

Ed James
Secretary



GREENBELT HOMES, INC.

HAMILTON PLACE, GREENBELT, MARYLAND 20770

Area Code (301) 474-4161 Fax (301) 474-4006



MANAGER'S MEMORANDUM

TO: GDC Board of Directors
FROM: Eldon Ralph, General Manager *Eldon Ralph*
DATE: November 10, 2022
SUBJECT: Items for the **GDC OPEN** Board Meeting on November 17, 2022

GDC Open Meeting

3a. Proposed 2023 GDC Operating Budget (Attachment #1)

The Board reviewed a preliminary 2023 operating budget for GDC on November 3, 2023. Attachment #1 is the revised budget which will be finalized after the Board decides on an appropriate percentage increase for apartment rents during 2023. The rent increases for the Parkway Apartments over the past 5 years were as follows:

- 2018 0%
- 2019 5%
- 2020 0%
- 2021 3%
- 2022 0%

This item is on the agenda for discussion and action.

Suggested motion: I move that the Board of Directors approve the 2023 operating budget for Greenbelt Development Corporation in the amount of \$ _____.

3b. 2023 Property Management Agreement Between GDC and GHI (Attachment #2)

Attachment #2 is a proposed Property Management Agreement between GDC and GHI covering the fiscal year 2023. The compensation amount of \$407,290 (Attachment #2a) to be paid to GHI is based on GDC's 2023 budget.

This item is on the agenda for discussion and action.

Suggested motion: I move that the Board of Directors authorize the Board President to sign the Property Management Agreement for fiscal year 2023 as presented, that includes a compensation amount of \$407,290 to be paid to GHI, for the services it will provide GDC.

GDC Open Meeting

Greenbelt Development Corporation

2023 Budget



- **November 3, 2022 – Preliminary Budget**
- **November 17, 2022 – Final Budget**

**THIS PAGE LEFT
BLANK
INTENTIONALLY**

GREENBELT DEVELOPMENT CORPORATION
2023 BUDGET
TABLE OF CONTENTS

Pages

1 - 2	2023 budget - 8% rent increase
3 - 4	2023 budget - 7% rent increase
5 - 6	2023 budget - 6% rent increase
7 - 8	2023 budget - 5% rent increase
9 - 10	2023 budget - 2% rent increase

GREENBELT DEVELOPMENT CORPORATION
2023 BUDGET NARRATIVE

Rental Income - Apartments – (Increased from 2022 budget of \$659,820 to \$722,060). Rental income reflects an increase in rental rates for efficiency and one-bedroom units. In 2019, the Board of Directors approved an automatic renewal lease agreement for those tenants who wish to lock in their rent at current rates. Automatic renewal will take place at approved rental rates for tenants who do not opt out. Any tenant that opts out will be placed on a month-to month lease and will be charged a rent premium of 4% over approved rental rates.

Efficiency units are increased from \$833 to \$900 per month. One-bedroom units are increased from \$1,027 to \$1,110 per month. One-bedroom units with an open porch are increased from \$1,062 to \$1,147 per month. One-bedroom units with an enclosed porch are increased from \$1,125 to \$1,215 per month.

Vacancy Loss – (Decreased from 2022 budget of \$25,730 to \$23,110). This item is budgeted at 3.2% of rental income.

Rental Income - Garages – (Increased from the 2022 budget of \$44,470 to \$45,600). This item reflects current occupancy at current rates: closed garages at \$55 per month and storage garages at \$108 per month.

Other Income – (No change from 2022 budget of \$8,000). This item includes interest income, laundry receipts, NSF charges, and late fees.

Expenses Paid to GHI – (Increased from 2022 budget of \$376,980 to \$407,290). This item represents general costs incurred by GHI for the benefit of GDC. It reflects the increased management costs including costs associated with the Yardi property management system, increased insurance and other associated to be incurred by GHI on behalf of GDC.

Contract Work – (Increased from the 2022 budget of \$66,570 to \$107,770). This expense consists of the following items:

Annual servicing of boilers & cooling towers	\$ 7,000
Consultant – pipe inspection & offer replacement options	15,000
Consultant – update capital expenditure plan	6,000
Custodial cleaning for halls and basements	24,000
Fire extinguisher servicing	1,500
Landscape maintenance	8,500
Landscape improvements and new signage	18,000
Pest control services	500
Rehab/repaint apartments (12 units)	12,000
Solid waste disposal	6,000
Tree maintenance	500
Tub reglazing (5)	1,650
Turnover – lead dust cleaning (12)	4,720
Water treatment for boilers & cooling towers	<u>2,400</u>
 Total	 <u>\$107,770</u>

Materials – (Increased from the 2022 budget of \$19,500 to \$23,400).

Depreciation - recognizes the current year's portion of capitalized expenditures. This line item includes depreciation associated with capitalization of \$30,000 for replacing stair treads and hallway flooring as well as \$9,000 for the replacement of heat pump units (10).

Greenbelt Development Corporation
2023 Budget

	2022 Y/E Projection	2022 Budget	2023 Proposed Budget	%
				Change
REVENUE				
Rental Income--Apartments	\$ 659,820	\$ 659,820	\$ 722,060	9.4%
Vacancy Loss	(11,880)	(25,730)	(23,110)	-10.2%
Rental Income--Garages	45,520	44,470	45,600	2.5%
Other Income	6,700	8,000	8,000	0.0%
TOTAL REVENUE	700,160	686,560	752,550	9.6%
EXPENSES				
Expenses Paid to GHI				
Labor	108,000	108,000	108,000	0.0%
Legal	8,100	8,100	8,100	0.0%
Insurance	23,530	23,530	27,060	15.0%
Materials *	35,090	35,090	42,110	20.0%
Management fee	202,260	202,260	222,020	9.8%
Subtotal	376,980	376,980	407,290	8.0%
Other GDC Expenses				
Contract work	66,570	66,570	107,770	61.9%
Materials *	21,000	19,500	23,400	20.0%
Licenses & permits	7,200	7,200	7,200	0.0%
Electricity	19,000	15,000	21,000	40.0%
Gas	20,500	16,700	23,500	40.7%
Telephone	1,400	1,200	1,500	25.0%
Water	23,000	16,500	23,500	42.4%
Bad Debts	3,500	3,500	3,500	0.0%
Misc. expenses	100	100	100	0.0%
R/E taxes	90,000	90,000	90,000	0.0%
Depreciation	29,175	38,170	30,900	-19.0%
Subtotal	281,445	274,440	332,370	21.1%
TOTAL EXPENSES	658,425	651,420	739,660	13.5%
Net income before taxes	41,735	35,140	12,890	-63.3%
Income tax expense	3,440	2,900	1,060	-63.4%
NET INCOME	\$ 38,295	\$ 32,240	\$ 11,830	-63.3%

* There are two components that make up the materials line item. One is allocated materials expense and the other is direct materials expense.

GREENBELT DEVELOPMENT CORPORATION
2023 BUDGET NARRATIVE

Rental Income - Apartments – (Increased from 2022 budget of \$659,820 to \$715,330). Rental income reflects an increase in rental rates for efficiency and one-bedroom units. In 2019, the Board of Directors approved an automatic renewal lease agreement for those tenants who wish to lock in their rent at current rates. Automatic renewal will take place at approved rental rates for tenants who do not opt out. Any tenant that opts out will be placed on a month-to-month lease and will be charged a rent premium of 4% over approved rental rates.

Efficiency units are increased from \$833 to \$891 per month. One-bedroom units are increased from \$1,027 to \$1,099 per month. One-bedroom units with an open porch are increased from \$1,062 to \$1,136 per month. One-bedroom units with an enclosed porch are increased from \$1,125 to \$1,204 per month.

Vacancy Loss – (Decreased from 2022 budget of \$25,730 to \$22,890). This item is budgeted at 3.2% of rental income.

Rental Income - Garages – (Increased from the 2022 budget of \$44,470 to \$45,600). This item reflects current occupancy at current rates: closed garages at \$55 per month and storage garages at \$108 per month.

Other Income – (No change from 2022 budget of \$8,000). This item includes interest income, laundry receipts, NSF charges, and late fees.

Expenses Paid to GHI – (Increased from 2022 budget of \$376,980 to \$407,290). This item represents general costs incurred by GHI for the benefit of GDC. It reflects the increased management costs including costs associated with the Yardi property management system, increased insurance and other associated to be incurred by GHI on behalf of GDC.

Contract Work – (Increased from the 2022 budget of \$66,570 to \$107,770). This expense consists of the following items:

Annual servicing of boilers & cooling towers	\$ 7,000
Consultant – pipe inspection & offer replacement options	15,000
Consultant – update capital expenditure plan	6,000
Custodial cleaning for halls and basements	24,000
Fire extinguisher servicing	1,500
Landscape maintenance	8,500
Landscape improvements and new signage	18,000
Pest control services	500
Rehab/repaint apartments (12 units)	12,000
Solid waste disposal	6,000
Tree maintenance	500
Tub reglazing (5)	1,650
Turnover – lead dust cleaning (12)	4,720
Water treatment for boilers & cooling towers	<u>2,400</u>
Total	<u>\$107,770</u>

Materials – (Increased from the 2022 budget of \$19,500 to \$23,400).

Depreciation - recognizes the current year's portion of capitalized expenditures. This line item includes depreciation associated with capitalization of \$30,000 for replacing stair treads and hallway flooring as well as \$9,000 for the replacement of heat pump units (10).

Greenbelt Development Corporation
2023 Budget

	2022 Y/E Projection	2022 Budget	2023 Proposed Budget	%
				Change
REVENUE				
Rental Income--Apartments	\$ 659,820	\$ 659,820	\$ 715,330	8.4%
Vacancy Loss	(11,880)	(25,730)	(22,890)	-11.0%
Rental Income--Garages	45,520	44,470	45,600	2.5%
Other Income	6,700	8,000	8,000	0.0%
TOTAL REVENUE	700,160	686,560	746,040	8.7%
EXPENSES				
Expenses Paid to GHI				
Labor	108,000	108,000	108,000	0.0%
Legal	8,100	8,100	8,100	0.0%
Insurance	23,530	23,530	27,060	15.0%
Materials *	35,090	35,090	42,110	20.0%
Management fee	202,260	202,260	222,020	9.8%
Subtotal	376,980	376,980	407,290	8.0%
Other GDC Expenses				
Contract work	66,570	66,570	107,770	61.9%
Materials *	21,000	19,500	23,400	20.0%
Licenses & permits	7,200	7,200	7,200	0.0%
Electricity	19,000	15,000	21,000	40.0%
Gas	20,500	16,700	23,500	40.7%
Telephone	1,400	1,200	1,500	25.0%
Water	23,000	16,500	23,500	42.4%
Bad Debts	3,500	3,500	3,500	0.0%
Misc. expenses	100	100	100	0.0%
R/E taxes	90,000	90,000	90,000	0.0%
Depreciation	29,175	38,170	30,900	-19.0%
Subtotal	281,445	274,440	332,370	21.1%
TOTAL EXPENSES	658,425	651,420	739,660	13.5%
Net income before taxes	41,735	35,140	6,380	-81.8%
Income tax expense	3,440	2,900	530	-81.7%
NET INCOME	\$ 38,295	\$ 32,240	\$ 5,850	-81.9%

* There are two components that make up the materials line item. One is allocated materials expense and the other is direct materials expense.

GREENBELT DEVELOPMENT CORPORATION
2023 BUDGET NARRATIVE

Rental Income - Apartments – (Increased from 2022 budget of \$659,820 to \$709,130). Rental income reflects an increase in rental rates for efficiency and one-bedroom units. In 2019, the Board of Directors approved an automatic renewal lease agreement for those tenants who wish to lock in their rent at current rates. Automatic renewal will take place at approved rental rates for tenants who do not opt out. Any tenant that opts out will be placed on a month-to-month lease and will be charged a rent premium of 4% over approved rental rates.

Efficiency units are increased from \$833 to \$883 per month. One-bedroom units are increased from \$1,027 to \$1,089 per month. One-bedroom units with an open porch are increased from \$1,062 to \$1,126 per month. One-bedroom units with an enclosed porch are increased from \$1,125 to \$1,193 per month.

Vacancy Loss – (Decreased from 2022 budget of \$25,730 to \$22,690). This item is budgeted at 3.2% of rental income.

Rental Income - Garages – (Increased from the 2022 budget of \$44,470 to \$45,600). This item reflects current occupancy at current rates: closed garages at \$55 per month and storage garages at \$108 per month.

Other Income – (No change from 2022 budget of \$8,000). This item includes interest income, laundry receipts, NSF charges, and late fees.

Expenses Paid to GHI – (Increased from 2022 budget of \$376,980 to \$407,290). This item represents general costs incurred by GHI for the benefit of GDC. It reflects the increased management costs including costs associated with the Yardi property management system, increased insurance and other associated to be incurred by GHI on behalf of GDC.

Contract Work – (Increased from the 2022 budget of \$66,570 to \$107,770). This expense consists of the following items:

Annual servicing of boilers & cooling towers	\$ 7,000
Consultant – pipe inspection & offer replacement options	15,000
Consultant – update capital expenditure plan	6,000
Custodial cleaning for halls and basements	24,000
Fire extinguisher servicing	1,500
Landscape maintenance	8,500
Landscape improvements and new signage	18,000
Pest control services	500
Rehab/repaint apartments (12 units)	12,000
Solid waste disposal	6,000
Tree maintenance	500
Tub reglazing (5)	1,650
Turnover – lead dust cleaning (12)	4,720
Water treatment for boilers & cooling towers	<u>2,400</u>
Total	<u>\$107,770</u>

Materials – (Increased from the 2022 budget of \$19,500 to \$23,400).

Depreciation - recognizes the current year's portion of capitalized expenditures. This line item includes depreciation associated with capitalization of \$30,000 for replacing stair treads and hallway flooring as well as \$9,000 for the replacement of heat pump units (10).

Greenbelt Development Corporation
2023 Budget

	2022 Y/E Projection	2022 Budget	2023 Proposed Budget	%
				Change
REVENUE				
Rental Income--Apartments	\$ 659,820	\$ 659,820	\$ 709,130	7.5%
Vacancy Loss	(11,880)	(25,730)	(22,690)	-11.8%
Rental Income--Garages	45,520	44,470	45,600	2.5%
Other Income	6,700	8,000	8,000	0.0%
TOTAL REVENUE	700,160	686,560	740,040	7.8%
EXPENSES				
Expenses Paid to GHI				
Labor	108,000	108,000	108,000	0.0%
Legal	8,100	8,100	8,100	0.0%
Insurance	23,530	23,530	27,060	15.0%
Materials *	35,090	35,090	42,110	20.0%
Management fee	202,260	202,260	222,020	9.8%
Subtotal	376,980	376,980	407,290	8.0%
Other GDC Expenses				
Contract work	66,570	66,570	107,770	61.9%
Materials *	21,000	19,500	23,400	20.0%
Licenses & permits	7,200	7,200	7,200	0.0%
Electricity	19,000	15,000	21,000	40.0%
Gas	20,500	16,700	23,500	40.7%
Telephone	1,400	1,200	1,500	25.0%
Water	23,000	16,500	23,500	42.4%
Bad Debts	3,500	3,500	3,500	0.0%
Misc. expenses	100	100	100	0.0%
R/E taxes	90,000	90,000	90,000	0.0%
Depreciation	29,175	38,170	30,900	-19.0%
Subtotal	281,445	274,440	332,370	21.1%
TOTAL EXPENSES	658,425	651,420	739,660	13.5%
Net income before taxes	41,735	35,140	380	-98.9%
Income tax expense	3,440	2,900	30	-99.0%
NET INCOME	\$ 38,295	\$ 32,240	\$ 350	-98.9%

* There are two components that make up the materials line item. One is allocated materials expense and the other is direct materials expense.

**GREENBELT DEVELOPMENT CORPORATION
2023 BUDGET NARRATIVE**

Rental Income - Apartments – (Increased from 2022 budget of \$659,820 to \$702,670). Rental income reflects an increase in rental rates for efficiency and one-bedroom units. In 2019, the Board of Directors approved an automatic renewal lease agreement for those tenants who wish to lock in their rent at current rates. Automatic renewal will take place at approved rental rates for tenants who do not opt out. Any tenant that opts out will be placed on a month-to-month lease and will be charged a rent premium of 4% over approved rental rates.

Efficiency units are increased from \$833 to \$875 per month. One-bedroom units are increased from \$1,027 to \$1,078 per month. One-bedroom units with an open porch are increased from \$1,062 to \$1,115 per month. One-bedroom units with an enclosed porch are increased from \$1,125 to \$1,181 per month.

Vacancy Loss – (Decreased from 2022 budget of \$25,730 to \$22,490). This item is budgeted at 3.2% of rental income.

Rental Income - Garages – (Increased from the 2022 budget of \$44,470 to \$45,600). This item reflects current occupancy at current rates: closed garages at \$55 per month and storage garages at \$108 per month.

Other Income – (No change from 2022 budget of \$8,000). This item includes interest income, laundry receipts, NSF charges, and late fees.

Expenses Paid to GHI – (Increased from 2022 budget of \$376,980 to \$407,290). This item represents general costs incurred by GHI for the benefit of GDC. It reflects the increased management costs including costs associated with the Yardi property management system, increased insurance and other associated to be incurred by GHI on behalf of GDC.

Contract Work – (Increased from the 2022 budget of \$66,570 to \$107,770). This expense consists of the following items:

Annual servicing of boilers & cooling towers	\$ 7,000
Consultant – pipe inspection & offer replacement options	15,000
Consultant – update capital expenditure plan	6,000
Custodial cleaning for halls and basements	24,000
Fire extinguisher servicing	1,500
Landscape maintenance	8,500
Landscape improvements and new signage	18,000
Pest control services	500
Rehab/repaint apartments (12 units)	12,000
Solid waste disposal	6,000
Tree maintenance	500
Tub reglazing (5)	1,650
Turnover – lead dust cleaning (12)	4,720
Water treatment for boilers & cooling towers	<u>2,400</u>
Total	<u>\$107,770</u>

Materials – (Increased from the 2022 budget of \$19,500 to \$23,400).

Depreciation - recognizes the current year's portion of capitalized expenditures. This line item includes depreciation associated with capitalization of \$30,000 for replacing stair treads and hallway flooring as well as \$9,000 for the replacement of heat pump units (10).

Greenbelt Development Corporation
2023 Budget

	2022 Y/E Projection	2022 Budget	2023 Proposed Budget	%
				Change
REVENUE				
Rental Income--Apartments	\$ 659,820	\$ 659,820	\$ 702,670	6.5%
Vacancy Loss	(11,880)	(25,730)	(22,490)	-12.6%
Rental Income--Garages	45,520	44,470	45,600	2.5%
Other Income	6,700	8,000	8,000	0.0%
TOTAL REVENUE	700,160	686,560	733,780	6.9%
EXPENSES				
Expenses Paid to GHI				
Labor	108,000	108,000	108,000	0.0%
Legal	8,100	8,100	8,100	0.0%
Insurance	23,530	23,530	27,060	15.0%
Materials *	35,090	35,090	42,110	20.0%
Management fee	202,260	202,260	222,020	9.8%
Subtotal	376,980	376,980	407,290	8.0%
Other GDC Expenses				
Contract work	66,570	66,570	107,770	61.9%
Materials *	21,000	19,500	23,400	20.0%
Licenses & permits	7,200	7,200	7,200	0.0%
Electricity	19,000	15,000	21,000	40.0%
Gas	20,500	16,700	23,500	40.7%
Telephone	1,400	1,200	1,500	25.0%
Water	23,000	16,500	23,500	42.4%
Bad Debts	3,500	3,500	3,500	0.0%
Misc. expenses	100	100	100	0.0%
R/E taxes	90,000	90,000	90,000	0.0%
Depreciation	29,175	38,170	30,900	-19.0%
Subtotal	281,445	274,440	332,370	21.1%
TOTAL EXPENSES	658,425	651,420	739,660	13.5%
Net income before taxes	41,735	35,140	(5,880)	-116.7%
Income tax expense	3,440	2,900	0	-100.0%
NET INCOME	\$ 38,295	\$ 32,240	\$ (5,880)	-118.2%

* There are two components that make up the materials line item. One is allocated materials expense and the other is direct materials expense.

GREENBELT DEVELOPMENT CORPORATION
2023 BUDGET NARRATIVE

Rental Income - Apartments – (Increased from 2022 budget of \$659,820 to \$683,400). Rental income reflects an increase in rental rates for efficiency and one-bedroom units. In 2019, the Board of Directors approved an automatic renewal lease agreement for those tenants who wish to lock in their rent at current rates. Automatic renewal will take place at approved rental rates for tenants who do not opt out. Any tenant that opts out will be placed on a month-to month lease and will be charged a rent premium of 4% over approved rental rates.

Efficiency units are increased from \$833 to \$850 per month. One-bedroom units are increased from \$1,027 to \$1,048 per month. One-bedroom units with an open porch are increased from \$1,062 to \$1,083 per month. One-bedroom units with an enclosed porch are increased from \$1,125 to \$1,148 per month.

Vacancy Loss – (Decreased from 2022 budget of \$25,730 to \$21,870). This item is budgeted at 3.2% of rental income.

Rental Income - Garages – (Increased from the 2022 budget of \$44,470 to \$45,600). This item reflects current occupancy at current rates: closed garages at \$55 per month and storage garages at \$108 per month.

Other Income – (No change from 2022 budget of \$8,000). This item includes interest income, laundry receipts, NSF charges, and late fees.

Expenses Paid to GHI – (Increased from 2022 budget of \$376,980 to \$407,290). This item represents general costs incurred by GHI for the benefit of GDC. It reflects the increased management costs including costs associated with the Yardi property management system, increased insurance and other associated to be incurred by GHI on behalf of GDC.

Contract Work – (Increased from the 2022 budget of \$66,570 to \$107,770). This expense consists of the following items:

Annual servicing of boilers & cooling towers	\$ 7,000
Consultant – pipe inspection & offer replacement options	15,000
Consultant – update capital expenditure plan	6,000
Custodial cleaning for halls and basements	24,000
Fire extinguisher servicing	1,500
Landscape maintenance	8,500
Landscape improvements and new signage	18,000
Pest control services	500
Rehab/repaint apartments (12 units)	12,000
Solid waste disposal	6,000
Tree maintenance	500
Tub reglazing (5)	1,650
Turnover – lead dust cleaning (12)	4,720
Water treatment for boilers & cooling towers	<u>2,400</u>
Total	<u>\$107,770</u>

Materials – (Increased from the 2022 budget of \$19,500 to \$23,400).

Depreciation - recognizes the current year's portion of capitalized expenditures. This line item includes depreciation associated with capitalization of \$30,000 for replacing stair treads and hallway flooring as well as \$9,000 for the replacement of heat pump units (10).

Greenbelt Development Corporation
2023 Budget

	2022 Y/E Projection	2022 Budget	2023 Proposed Budget	% Change
REVENUE				
Rental Income--Apartments	\$ 659,820	\$ 659,820	\$ 683,400	3.6%
Vacancy Loss	(11,880)	(25,730)	(21,870)	-15.0%
Rental Income--Garages	45,520	44,470	45,600	2.5%
Other Income	6,700	8,000	8,000	0.0%
TOTAL REVENUE	700,160	686,560	715,130	4.2%
EXPENSES				
Expenses Paid to GHI				
Labor	108,000	108,000	108,000	0.0%
Legal	8,100	8,100	8,100	0.0%
Insurance	23,530	23,530	27,060	15.0%
Materials *	35,090	35,090	42,110	20.0%
Management fee	202,260	202,260	222,020	9.8%
Subtotal	376,980	376,980	407,290	8.0%
Other GDC Expenses				
Contract work	66,570	66,570	107,770	61.9%
Materials *	21,000	19,500	23,400	20.0%
Licenses & permits	7,200	7,200	7,200	0.0%
Electricity	19,000	15,000	21,000	40.0%
Gas	20,500	16,700	23,500	40.7%
Telephone	1,400	1,200	1,500	25.0%
Water	23,000	16,500	23,500	42.4%
Bad Debts	3,500	3,500	3,500	0.0%
Misc. expenses	100	100	100	0.0%
R/E taxes	90,000	90,000	90,000	0.0%
Depreciation	29,175	38,170	30,900	-19.0%
Subtotal	281,445	274,440	332,370	21.1%
TOTAL EXPENSES	658,425	651,420	739,660	13.5%
Net income before taxes	41,735	35,140	(24,530)	-169.8%
Income tax expense	3,440	2,900	0	-100.0%
NET INCOME	\$ 38,295	\$ 32,240	\$ (24,530)	-176.1%

* There are two components that make up the materials line item. One is allocated materials expense and the other is direct materials expense.

State of Maryland

PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement (this "Agreement") is made this 1st day of January 2023, by and between Greenbelt Development Corporation ("OWNER") and Greenbelt Homes, Inc. ("AGENT").

The parties agree as follows:

1. Managing Agent. Owner appoints Agent to exclusively manage the property located in Greenbelt MD 20770 (the "Premises"). Agent accepts the appointment and agrees to provide building management services for the Premises, as set forth in this Agreement. Owner agrees to pay all reasonable expenses in connection with those services. Agent agrees to use due diligence in the performance of this contract and in all matters involved with the management of these Premises.

2. Term. The term of this Agreement will be for a period of one year from the date first set forth above, unless earlier terminated. At the end of the initial term, and on each anniversary date of this Agreement thereafter, this Agreement shall renew automatically for additional one-year renewal terms.

3. Agent's Responsibilities. Owner grants Agent full authority to do any and all lawful things necessary for the fulfillment of this Agreement, including the following:

- i. To manage the Premises and to rent, lease, maintain and operate the Premises.
- ii. To collect all rents and other monies from Tenants as they become due. Agent does not guarantee tenant obligations. Agent may employ collection agencies, attorneys, or any other reasonable and lawful means to collect from a Tenant. Agent is authorized to file suit on behalf of Owner, and at Owner's expense, to recover unpaid rent or other unpaid amounts owed by Tenants, and for loss or damage to any part of the Premises. Agent is authorized to settle any such lawsuits with Owner's prior approval. Agent is responsible for making mortgage payments, taxes, fire or other insurance premiums, or any recurring expenses, all of which shall be paid out of Owner's funds.
- iii. To render to Owner a monthly financial report, including an accounting of rents and other amounts received and expenses paid; and to remit to Owner all income, less any sums paid out.
- iv. To advertise for, screen, and select tenants in compliance with all relevant laws and regulations. Owner will set rents that reflect the market conditions.
- v. To decorate, inspect, maintain, and repair the Premises as reasonably necessary, and to engage and supervise all employees, contractors and other labor needed for such work. Owner may authorize Agent in writing to make improvements to the Premises from time to time, at Owner's expense. Agent is not responsible for any damage to the Premises by Tenants or others. Any improvements and repairs that may cost more than \$7500 must receive prior written approval from Owner.
- vi. To provide, for a separate fee, unless nominal effort is involved, atypical tasks such as planning and implementing major improvements, and advising Owner on future business development.

4. Agent Liability. Owner agrees to indemnify and hold Agent harmless from any claims, charges, debts, demands, injuries, damages, actions, causes of action, proceedings, penalties and lawsuits arising in connection with Agent's services under this Agreement or arising in connection with the leasing, occupancy, maintenance, repair or use of the Premises, including costs and attorney's fees. Agent is not liable for any nonpayment by Tenants or theft of any service, including utilities, by Tenants. Owner agrees to maintain sufficient property insurance and liability insurance on the Premises, and shall arrange to have Agent designated as an additional insured on the liability insurance policy. Owner shall provide a copy of all insurance policies to Agent.

5. Compensation. Owner agrees to compensate Agent for managing the Premises, as set forth on Exhibit A to this Agreement.

6. Termination. The parties may terminate this Agreement by mutual agreement at any time, or by either party with 60 (sixty) days' notice. This Agreement shall terminate automatically upon the conveyance of the Premises to a different owner.

7. Successors. This Agreement shall be binding upon Owner and Agent's successors and assigns.

8. Waivers. No waiver of any condition or covenant in this Agreement by either party shall be deemed to imply or constitute a further waiver of the same or any other condition or covenant of this Agreement.

9. Governing Law. This Agreement has been executed under and shall be governed by the laws of the State of Maryland without regard to the state's conflict of law principles. The parties covenant and agree that any and all claims, disputes, and actions arising from this Agreement or as a result of the relationship of the parties shall be filed and heard in the Circuit Court of Prince Georges County, Maryland, or in the Maryland District Court for Prince George's County, Maryland, and that jurisdiction shall lie in such county and state.

10. Force Majeure. If either party is delayed or hindered in or prevented from doing or performing any act or thing required in this Agreement by reason of strikes, lock-outs, casualties, acts of God, labor troubles, inability to procure materials, failure of power, governmental laws or regulations, riot, insurrection, war or other causes beyond the reasonable control of such party, then such party shall not be liable or responsible for any such delays and the doing or performing of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

11. Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement.

12. Complete Agreement. This Agreement contains a complete expression of the agreement between the parties and there are no promises, representations or inducements except such as are herein provided.

The parties have signed this Agreement as of the first date written above.

Greenbelt Development Corporation

Owner Signature

Stefan Brodd

Owner Name
President of the Board of Directors

Greenbelt Homes, Inc.

Agent Signature

Deborah McKinley

Agent Name
Vice President of the Board of Directors

EXHIBIT A

COMPENSATION TO BE PAID BY OWNER TO AGENT DURING THE PERIOD JANUARY 1ST TO DECEMBER 31ST 2023

	Recommended for Fiscal Year 2023 based on GDC's Budget
Labor and benefits	\$108,000
Legal expenses	\$8,100
Insurance	\$27,060
Materials	\$42,110
Backoffice infrastructure, staffing and support services	\$222,020
Total	\$407,290

Recommended Compensation Amounts to GHI for Services Provided During Fiscal Year 2023

	Recommended for Fiscal Year 2023 based on GDC's Budget
Labor and benefits	\$108,000
Legal expenses	\$8,100
Insurance	\$27,060
Materials	\$42,110
Backoffice infrastructure, staffing and support services	\$222,020
Total	\$407,290