

Mayor and Council Executive Session and Work Session December 6, 2022 Agenda

"The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe, and vibrant neighborhoods."

"The City of Hagerstown shall be a community focused municipality"

"Always stand on principle...even if you stand alone." John Adams

The agenda and meeting packet is available at www.hagerstownmd.org/government/agenda

EXECUTIVE SESSION

- 3:00 PM** 1. **The Mayor and Council will meet in Open Session only for the purpose of voting to close its meeting to discuss matters that the Open Meetings Act permits it to discuss in Executive/Closed Session.**
2. Executive Session Agenda

4:00 PM WORK SESSION

- 3:00 PM** 1. Proclamation: World AIDS Day
- 4:05 PM** 2. Special Recognition: Presentation of Dennis Miller Volunteer Award to Aaron House
- 4:10 PM** 3. FY22 Comprehensive Annual Financial Report and Presentation - *Michelle Hepburn, Chief Financial Officer, Brooke Garver, Accounting and Budget Manager, and Christopher Lehman, Engagement Partner - SB & Company, LLC*
- 4:30 PM** 4. Two Grant Applications (Maryland Energy Administration and FEMA) - *Jim Bender, Assistant City Engineer*
- 4:45 PM** 5. Request to Purchase Competitive Negotiated Sale (CNS) Property: 216 S. Prospect Street - *Chris Siemerling, Economic Development Specialist and Doug Reaser, Business Development Specialist*
- 4:55 PM** 6. Request to Purchase Competitive Negotiated Sale (CNS) Property: 239 N. Locust Street - *Chris Siemerling, Economic Development Specialist and Doug Reaser, Business Development Specialist*

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

The Mayor and Council will meet in Open Session only for the purpose of voting to close its meeting to discuss matters that the Open Meetings Act permits it to discuss in Executive/Closed Session.

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

October_4__2022_Executive_Session.pdf

Description

Executive Session Agenda



EXECUTIVE SESSION

MAYOR & CITY COUNCIL

OCTOBER 4, 2022

AGENDA

3:00 p.m. EXECUTIVE SESSION

1. To discuss the appointment, employment, assignment, promotion, discipline, demotions, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; (#1)
**Hagerstown Youth Council Members*
2. To consider the acquisition of real property for a public purpose and matters directly related thereto; (#3)
**Proposed Antietam Street Parking Deck*
**Acquisition of other property*
3. To consult with counsel to obtain legal advice; (#7)
**Consult with attorney – 2 items*

***AUTHORITY: Annotated Code of Maryland, General Provisions Article: Section 3-305(b)**
(Subsection is noted in parentheses)

CITY OF HAGERSTOWN, MARYLAND

PUBLIC BODY: Mayor & City Council

DATE: October 4, 2022

PLACE: Council Chamber, 2nd floor, City Hall

TIME: 3:00 p.m.

AUTHORITY: **ANNOTATED CODE OF MARYLAND, GENERAL PROVISIONS ARTICLE:** **Section 3-305(b) :**

1. To discuss:
 - ☒ (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
 - ☐ (ii) any other personnel matter that affects one or more specific individuals;
- ☐ 2. To protect the privacy or reputation of individuals with respect to a matter that is not related to public business;
- ☒ 3. To consider the acquisition of real property for a public purpose and matters directly related thereto;
- ☐ 4. To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;
- ☐ 5. To consider the investment of public funds;
- ☐ 6. To consider the marketing of public securities;
- ☒ 7. To consult with counsel to obtain legal advice;
- ☐ 8. To consult with staff, consultants, or other individuals about pending or potential litigation;
- ☐ 9. To conduct collective bargaining negotiations or consider matters that relate to the negotiations;
- ☐ 10. To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
 - (i) the deployment of fire and police services and staff; and
 - (ii) the development and implementation of emergency plans;
- ☐ 11. To prepare, administer or grade a scholastic, licensing, or qualifying examination;
- ☐ 12. To conduct or discuss an investigative proceeding on actual or possible criminal conduct; or
- ☐ 13. To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter; or
- ☐ 14. Before a contract is awarded or bids are opened, discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- ☐ 15. Administrative Function

EXECUTIVE SESSION AGENDA

City Hall • Council Chamber • 1 East Franklin Street • Hagerstown, MD 21740
301.739.8577, Ext. 113 • Telephone for the Hearing Impaired 301.797.6617

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Executive Session Agenda

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Proclamation: World AIDS Day

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Special Recognition: Presentation of Dennis Miller Volunteer Award to Aaron House

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

FY22 Comprehensive Annual Financial Report and Presentation - *Michelle Hepburn, Chief Financial Officer, Brooke Garver, Accounting and Budget Manager, and Christopher Lehman, Engagement Partner - SB & Company, LLC*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

12.06.22_Memo_for_FY22_CAFR_Presentation.pdf

SB__Company__LLC_Presentation.pdf

Description

FY22 Comprehensive
Annual Financial Report and
Presentation

SB & Company
Presentation



CITY OF HAGERSTOWN, MARYLAND

Finance & Accounting Department

TO: Mayor & Councilmembers
Scott Nicewarner, City Administrator

FROM: Michelle Hepburn, Chief Financial Officer
Brooke Garver, Accounting & Budget Manager

SUBJECT: FY22 Annual Comprehensive Financial Report

DATE: December 6, 2022

The Finance Department will be joined by our independent auditing firm, SB & Company, LLC to present the City's Annual Comprehensive Financial Report for FY22. The presentation will provide an overview of SB & Company, LLC's comments and recommendations for our FY22 financial statements audit.

The preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department.

The copies of the FY22 Annual Comprehensive Financial Report were distributed in early November and you can find a copy of the FY22 report electronically on the City's website (www.hagerstownmd.org).



City of Hagerstown

Presentation to those
Charged with Governance
December 6, 2022



SB & Company, LLC



Introductions



- Christopher Lehman, Engagement Partner

Scope of Services



- Audit of the June 30, 2022 financial statements
- Performance of Uniform Guidance Single Audit
- Review of Uniform Financial Report
- Review of Data Collection Form
- Available for year-round consultation

Summary of the Results



-  Issued an unmodified opinion on the financial statements
-  No fraud discovered or made aware of
-  No material weaknesses identified
-  Received full cooperation from management
-  No audit journal entries proposed



Audit Approach

SBC AUDIT APPROACH

"Focus on Risk, Controls and Account Misstatement"



FORCAM Audit Approach

Focus on Risk, Controls, and Account Misstatement

Agree on Expectations and Deliverables

Planning - Understand the Business & Risk

Client Acceptance • Client Environment • Tone at the Top
Materiality • Initial Risk Assessment • Audit Plan • Client Expectations

Assess & Test Design & Operations of Controls

What Can Go Wrong? • Test Key Controls • Walkthrough
Map Accounts & Transactions • Identify Key Controls

Financial Close & Reporting Misstatement Analysis

Analyze Balances • Financial Close Process
Principles Applied • Management's Verification

Substantive Testing

Negative Account Analysis • Negative Financial Close
Firm & GAAS Required • Significant Estimates
Negative Operating Controls • Unusual Transactions

GAAS Compliance & Reporting

GAAS Checklist • Review Reports • Wrap Up
Draft Board/Management Presentation
Did We Meet Your Expectations?

Goals:

Detect Financial Statement Misstatement Risk
Detect Error

- Accounting Principle
- Estimate
- Information Processing
- Account Balances

Fraud
Business Failure
Business Improvement Opportunities
Client Expectations

Communicate Value Delivered and Measure Satisfaction



Assessment of Internal Controls



Assessment of Control Environment

- Control environment
- Risk Assessment Process
- Control Activities
- Information and Communication
- Monitoring

Assessment of Key Processes

- Treasury
- Estimation
- Financial Reporting
- Expenditures
- Payroll
- Revenue
- Fixed Assets
- Compliance
- Grant Management



Audit Results

Financial Statement Highlights



	Governmental Activities			Business-type Activities		
	2022	2021	2020	2022	2021	2020
Current and other assets	\$ 59,713,346	\$ 49,581,181	\$ 34,564,319	\$ 53,152,390	\$ 48,385,929	\$ 41,706,209
Capital assets	90,562,591	87,371,825	85,000,642	195,656,333	198,258,171	203,091,109
Total assets	150,275,937	136,953,006	119,564,961	248,808,723	246,644,100	244,797,318
Deferred outflows	22,718,037	3,894,871	4,880,737	3,837,814	1,914,337	1,918,520
Long-term liabilities	99,106,918	75,365,678	83,119,191	49,896,159	54,300,512	58,249,238
Other liabilities	29,302,418	20,310,551	11,389,147	8,836,380	12,261,804	12,468,440
Total liabilities	128,409,336	95,676,229	94,508,338	58,732,539	66,562,316	70,717,678
Deferred inflows	5,521,234	7,203,001	1,576,619	3,766,639	1,306,257	760,397
Net position						
Net investment in capital assets	75,823,002	71,600,496	67,629,556	158,700,731	157,963,476	159,951,217
Restricted	4,333,666	5,539,165	4,812,010	-	-	-
Unrestricted	(41,093,264)	(39,171,014)	(44,080,825)	31,446,628	22,726,388	15,286,546
Total Net Position	\$ 39,063,404	\$ 37,968,647	\$ 28,360,741	\$ 190,147,359	\$ 180,689,864	\$ 175,237,763

Financial Statement Highlights

continued



	Governmental Activities			Business-type Activities		
	2022	2021	2020	2022	2021	2020
REVENUES						
Charges for current services	\$ 8,917,531	\$ 9,455,056	\$ 8,227,084	\$ 58,192,082	\$ 53,458,451	\$ 52,065,364
Operating grants and contributions	2,053,740	4,923,824	2,246,769	140,695	894,857	240,000
Capital grants and contributions	4,155,845	5,151,802	1,006,232	5,806,552	4,965,080	5,037,394
Property taxes	34,592,251	33,417,546	32,399,365	-	-	-
Income and other taxes	7,772,394	6,749,366	5,930,706	-	-	-
Miscellaneous	283,825	614,928	943,594	16,300	41,928	295,674
Total Revenues	\$ 57,775,586	\$ 60,312,522	\$ 50,753,750	\$ 64,155,629	\$ 59,360,316	\$ 57,638,432
EXPENSES						
General government	\$ 10,360,130	\$ 10,425,129	\$ 10,986,324	\$ -	\$ -	\$ -
Public safety	31,231,769	26,871,881	26,395,843	-	-	-
Highways and streets	2,632,966	2,693,869	3,044,652	-	-	-
Waste, collection and disposal	2,926,233	2,834,652	2,621,986	-	-	-
Culture and recreation	3,379,595	2,946,663	3,267,389	-	-	-
Economic and community development	4,866,019	4,719,711	4,958,500	-	-	-
Interest on long-term debt	466,867	475,278	668,563	-	-	-
Utilities and other proprietary funds	-	-	-	55,515,383	53,645,648	52,484,620
Total Expenses	\$ 55,863,579	\$ 50,967,183	\$ 51,943,257	\$ 55,515,383	\$ 53,645,648	\$ 52,484,620



Required Communications

REQUIRED COMMUNICATIONS



1. Auditor's Responsibilities Under Generally Accepted Auditing Standards (GAAS)

The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States of America, and provide for reasonable, rather than absolute, assurance that the financial statements are free of material misstatement.

2. Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application.

The significant accounting policies used by management are described in the notes to the financial statements.

3. Auditor's Judgments About the Quality of Accounting Principles

We discuss our judgments about the quality, not just the acceptability, of accounting principles selected by management, the consistency of their application, and the clarity and completeness of the financial statements, which include related disclosures.

We have reviewed the significant accounting policies adopted by the City and have determined that these policies are acceptable accounting policies.

REQUIRED COMMUNICATIONS

(continued)



4. Audit Adjustments

We are required to inform the City's oversight body about adjustments arising from the audit (whether recorded or not) that could in our judgment either individually or in the aggregate have a significant effect on the entity's financial reporting process. We also are required to inform the City's oversight body about unadjusted audit differences that were determined by management to be, individually and in the aggregate, immaterial.

There were no proposed or passed journal entries.

5. Fraud and Illegal Acts

We are required to report to the City's oversight body any fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.

Our procedures identified no instances of fraud or illegal acts.

6. Material Weaknesses in Internal Control

We are required to communicate all significant deficiencies in the City's systems of internal controls, whether they are also material weaknesses.

We noted no material weaknesses during the audit process.

REQUIRED COMMUNICATIONS

(continued)



7. Other Information in Documents Containing Audited Financial Statements

None.

8. Disagreements with Management on Financial Accounting and Reporting Matters

None.

9. Serious Difficulties Encountered in Performing the Audit

None.

10. Major Issues Discussed with Management Prior to Acceptance

None.

11. Management Representations

We received certain written representations from management as part of the completion of the audit.

12. Consultation with Other Accountants

To our knowledge, there were no consultations with other accountants since our appointment as the City's independent public accountants.

13. Independence

As part of our client acceptance process, we go through a process to ensure we are independent of the City.

We are independent of the City.

REQUIRED COMMUNICATIONS

(continued)



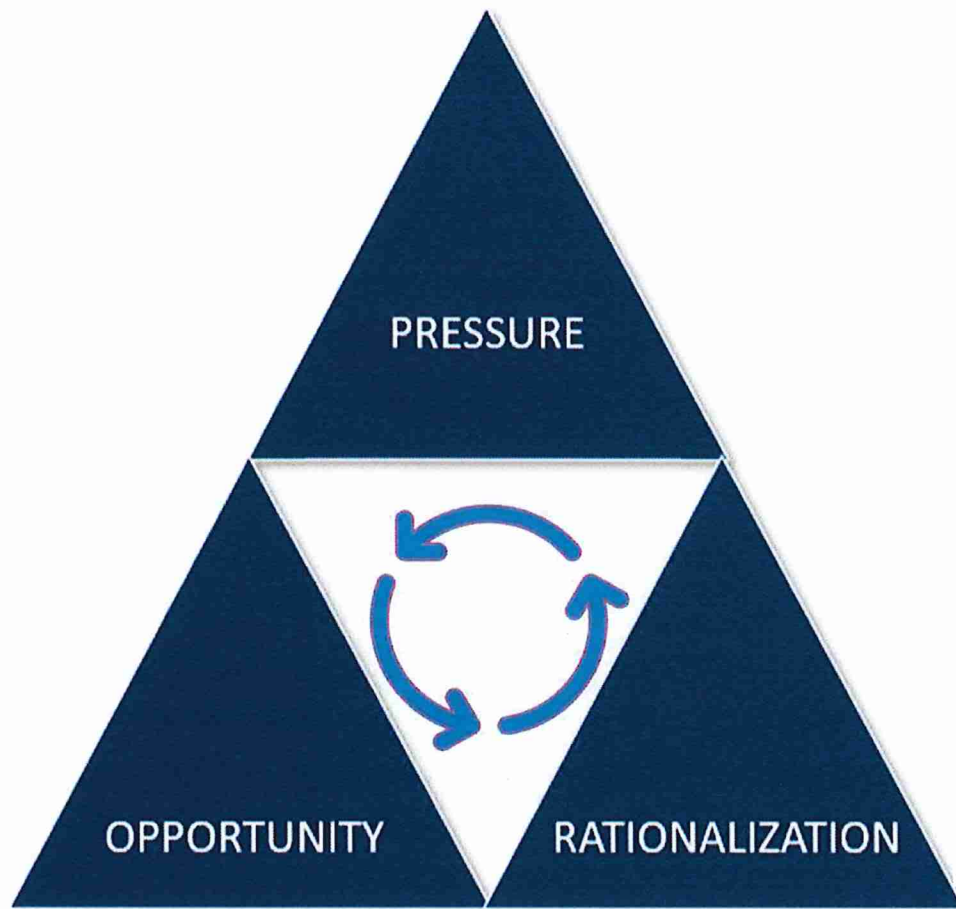
14. Our Responsibility Related to Fraud

- Plan and perform the audit to obtain reasonable assurance that there is no material misstatement caused by error or fraud;
- Comply with AU-C Section 240: Consideration of Fraud in a Financial Statement Audit;
- Approach all audits with an understanding that fraud could occur in any entity, at any time, by anyone; and
- Perform mandatory procedures required by GAAS and our firm policies.

Examples of Procedures Performed

- Discuss thoughts and ideas on where the financial statements might be susceptible to material misstatement due to fraud;
- Understand pressures on the financial statement results;
- Understand the tone and culture of the organization;
- Look for unusual or unexpected transactions, relationships, or procedures;
- Discussions with individuals outside of finance;
- Evaluate key processes and controls; and
- Consider information gathered throughout the audit.

REQUIRED COMMUNICATIONS – FRAUD



PRESSURE

- Pressure can be imposed due to economic troubles, personal vices and unrealistic deadlines and performance goals.
- There are increased pressures due to economy and minimal salary increases.

OPPORTUNITY

- Generally provided through weaknesses in internal controls.
- Tone at the top is important.
- We assess controls and tone at the top.

RATIONALIZATION

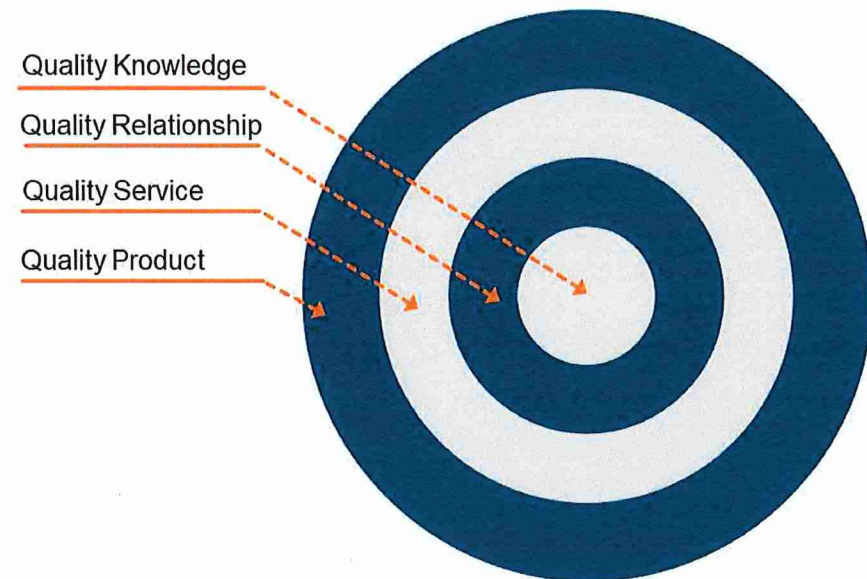
- Individuals develop a justification for their fraudulent activities.
- Increased rationalization due to minimal salary increases and less personnel.

SBC's Service Pledge to You



We will consistently deliver a **Quality Product** and **Quality Service** so that we have the opportunity to establish a **Quality Relationship** with you, allowing us to provide you with **Quality Knowledge** for your continual success. Only after we have provided you with the knowledge that enables your business to grow and prosper, have we *hit the bullseye!*

Our commitment to you is the execution of our Bullseye Philosophy. We execute this philosophy for every client, on every engagement, every time.





Engagement Team

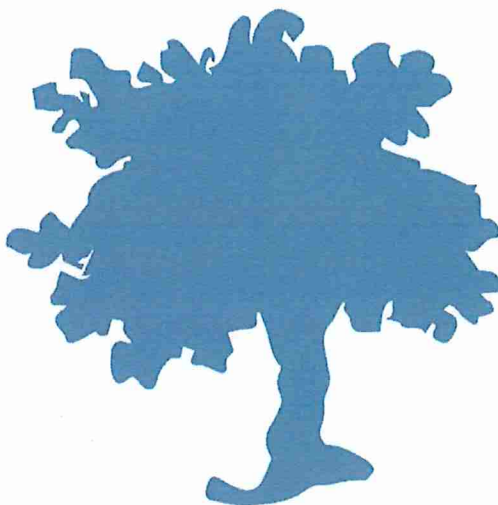
Key Contact Information



Christopher Lehman, CPA, MBA
Engagement Partner

Office: 410-584-2201
Mobile: 301-785-7408
clehman@sbandcompany.com

Executive Assistant: Susan Teneza
Office: 410-584-9303
steneza@sbandcompany.com



Maryland
10200 Grand Central Avenue
Suite 250
Owings Mills, MD 21117
410.584.0060

Washington, D.C.
1200 G Street, NW
Suite 809
Washington, DC 20005
202.434.8684

Pennsylvania
1500 Market Street
Suite 1200
Philadelphia, PA 19102
215.665.5749

Virginia
6802 Paragon Place
Suite 410
Richmond, VA 23230
804.441.6290

South Florida
4000 Hollywood Boulevard
Suite 555-S
Hollywood, FL 33021
954.843.3477

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Two Grant Applications (Maryland Energy Administration and FEMA) - *Jim Bender, Assistant City Engineer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Memo_-_Two_Grant_Applications_-_
_Maryland_Energy_Administration_and_FEMA.pdf

Description

Memo - Two Grant
Applications



CITY OF HAGERSTOWN, MARYLAND

Engineering Department

December 1, 2022

TO: Scott Nicewarner, City Administrator

FROM: Jim Bender, Assistant City Engineer JMB

RE: Two grant applications (Maryland Energy Administration and FEMA)

1. Background

Staff is requesting the Council's approval to apply for two different grants; one grant would be used to replace high pressure sodium parking lot lights with new LED lights, and the other grant would be used to develop a computer model of the City's storm drainage system. The City's Grant Policy requires City Council approval to apply for these grants.

2. Mayor & Council Action Requested

Review the information presented below, and determine whether or not to authorize staff to submit the grant applications. Staff will be present at the work session to discuss.

3. Discussion

Maryland Energy Administration grant

As part of the City's sustainability efforts, staff would like to apply for a grant from the Maryland Energy Administration to replace twenty-nine existing "Hagerstown-style" 150W high pressure sodium lights in the Central Parking Lot with more efficient 52W LED lights.

The Hagerstown Light Department will purchase the fixtures and perform the installation. The MEA grant funds up to 85% of the project cost or \$33,375. The City's General Fund or Parking Fund must cover the 15% balance of \$5,891. Light Department staff estimate the annual electric savings at 17,661 kwh/year (or roughly a \$1,500 annual reduction in electrical costs), which yields a total payback period for the City's portion of only four years. Installation will occur early in FY24

FEMA "BRIC" grant

In response to recent storm events that caused surcharges and flooding, staff would like to apply for a Building Resilient Infrastructure and Communities (BRIC) grant from the Federal Emergency Management Agency (FEMA). The BRIC program is focused on hazard mitigation, and decreasing the potential for flooding or damage to infrastructure from extreme storm events. Approximately \$2.3 billion has been allocated for this program nationwide.

The City has very detailed mapping of the existing storm drainage system. However, no comprehensive analysis of the system's ability to collect and convey stormwater has ever been completed. Consequently, staff have been forced to react to problems with the system in the wake of storm events, instead of being able to proactively address issues in a systematic way. Staff proposes using BRIC grant funds to hire an engineering consultant to create a computer model of the City's system that can be used to identify capacity issues or bottlenecks, allowing staff to prioritize and budget for capital improvement projects to address deficiencies. Having the computer model in place will also put the City in a more favorable position if we decide to seek additional BRIC grant funding in future years to implement these projects.

The BRIC program requires a local match of 25% for any grant funds that are allocated. Staff proposes requesting \$75,000 in BRIC funds, with a \$25,000 match coming from the Stormwater Protection Fund budget.

cc: Michelle Hepburn
Eric Deike
Nathan Fridinger
Rodney Tissue

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Request to Purchase Competitive Negotiated Sale (CNS) Property: 216 S. Prospect Street -
*Chris Siemerling, Economic Development Specialist and Doug Reaser, Business
Development Specialist*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

120622_WS_216_S._Prospect.pdf

Description

Request to Purchase CNS
Property: 216 S. Prospect
St.



CITY OF HAGERSTOWN, MARYLAND

Department of Community and Economic Development

TO: Scott Nicewarner, City Administrator
FROM: Christopher Siemerling, Economic Development Specialist
Doug Reaser, Business Development Specialist
DATE: December 2, 2022
RE: Request to Purchase CNS Property: 216 S. Prospect Street

Staff members will attend the December 6th, 2022 Work Session of the Mayor and City Council to review a proposal from Alece and Paul Drnec to purchase the vacant lot at 216 South Prospect Street as part of the City's "Competitive Negotiated Sale" (CNS) program. The following is a summary of the request:

Proposal:

- Request from Alece and Paul Drnec, neighboring property owners, to purchase the 18,250sqft lot for added supplementary yard and the potential to build on it at one point in the future.
- Drnec's proposed purchase price is \$15,000.
- The source of funding is an individual retirement account.

Background:

- On May 10, 2020, the property had a significant fire causing damage to the structure.
- On July 21, 2020, the City decided to accept a donation of the property from the owner and proceed with demolition.
- The City took title to the property November 5, 2020.
- Demolition of the building was completed on December 3, 2020 with a cost of \$28,200.
- The signed Ordinance, effective September 24, 2020, authorized the sale of the property to a private owner upon completion of acquisition and demotion of 216 S. Prospect Street, and once the property is no longer needed for public use.

Attached: CNS applications and supporting documents
Required Motion
Purchase Agreement

c: Review Committee
Jill Thompson, Director of Community and Economic Development
Michelle Hepburn, Chief Financial Officer
Eric Deike, Director of Public Work

Application for Purchase of City-Owned Property

Please return the completed application and supporting documentation to:

City of Hagerstown
Department of Community and Economic Development
14 N. Potomac Street, Suite 200A
Hagerstown, MD 21740

I. Information

1. This is a proposed: ☒ Purchase ☐ Purchase and Redevelopment

a. If redevelopment, the project name: _____

2. Provide the street address of the property to be purchased below:

216 S Prospect St, Hagerstown, MD 21740

3. Current Use of Property: ☒ Vacant Land ☐ Improved with Building

II. Applicant Information

4. Name of Applicant: Alece and Paul Drnec

5. Business Name: N/A

6. Business Address: _____

7. Phone Number: 410 370 2461 Fax Number: _____

8. Email Address: pldrnec@aol.com

9. Type Of Business: ☒ Individual ☐ Sole Proprietorship ☐ Nonprofit Corporation
☐ For-Profit Corporation ☐ Partnership ☐ LLC

10. Name, address and phone numbers of other persons or entities having an ownership in the applicant business entity: Not a business venture

11. Provide a description of your real estate development or related business experience.
Attach additional sheets if necessary:

Paul and I have owned a few properties, but the most relevant experience we have is owning the house next door. We have owned and used the house next door as a primary or secondary residence since 2015.

III. Purchase and Redevelopment Proposal

12. Do you own or control an adjacent property? If so, identify the property by address, describe your interest and describe its current use: YES

We own 208 S Prospect St., Hagerstown, MD 21740. We are currently using it as a second home. We are generally in Maryland during the warmer months but we allow a teacher to occupy the "plus one" apartment, so someone is there all year.

13. Type of Redevelopment Proposed: ☐ Commercial/Retail ☐ Multi-Family Residential
☐ Single Family/Townhouse ☐ Industrial ☐ Institutional/Nonprofit
☐ Accessory Parking/Open ☐ Mixed Use ☒ Other yard space

14. Project narrative: Write a brief description of the project. Be as specific as possible about the project budget, timing, scope of work, intended end users of the property, type of construction and financing. If you own an adjacent property, describe how the City parcel will enhance the overall project. Attach additional sheets if necessary.

We intend to clean up the lot and use it as part of our yard. We would like to get started on this as soon as we have ownership. We had negotiated with the city about a year and a half ago to purchase and maintain the property in this manner. It is our understanding that the only reason this deal fell through was a desire on the part of the city to have us annex the lot. We do not desire to annex the lot because we have six sons and aging parents in Washington County and we would like to have the option of building eventually. We believe that owning this lot as a separate lot vs. an annex should be a win-win because it gives us more flexibility while likely increasing the tax basis for the city and County more than an annex.

15. Provide sources, project budget and and uses of funds.

Our offer is based on using cash savings. We realize that the lot may be worth more, but at this time our family is recovering from some COVID related costs and we are trying to be realistic about the expense of owning and maintaining 246 South Prospect Street. This is a property that has been allowed to grow wild for longer than we have lived next door. There are large trees that should be removed or trimmed. Also, the brush/vines are so thick that homeless people regularly camp there creating a hazard to themselves and the neighborhood.

16. Proposed Purchase Price: \$15,000.00

17. If you have copies of site plans or concept drawings, please attach them.

N/A

18. Job Retention/Creation: List projected number of part time and full time jobs at the project after completion if applicable.

	<u>Jobs Retained</u>	<u>Jobs Created</u>	<u>Total Jobs</u>
<u>Full Time</u>	<u>N/A</u>	<u>—</u>	<u>—</u>
<u>Part Time</u>	<u>—</u>	<u>—</u>	<u>—</u>

19. Identify any public benefits, if any, to be created by the project:

We believe that in addition to the obvious benefit of a more beautiful landscape, a reduced burden/cost to the city, and an increase in tax revenues generated by our owning this lot, there is also a more subtle issue of keeping this space safe. Although clearing it is a project that others can accomplish, we are in a better position to keep an eye on the property. While clearing out the brush and keeping it mowed will certainly help deter trespassers we have learned that it takes consistent care and watchfulness to change years of behavior. There is currently a homeless problem, this problem used to spillover on to our property.

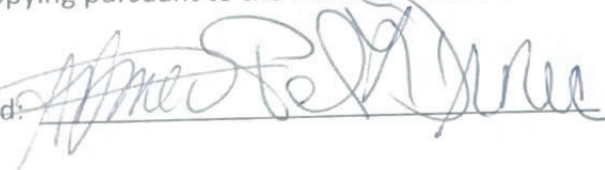
20. Please attach construction pro-forma, project budget and revenue projections if available.

N/A

IV. Signature

I, the undersigned, affirm that the project descriptions, numerical and financial estimates, and all other information I have provided in this application are true and complete to the best of my knowledge. I have read and understood the requirements described in the overview and application. Furthermore, I certify that I am authorized to initiate the application process on behalf of the project described.

I understand that I must demonstrate to the satisfaction of the department the ability of the purchasing entity to complete the proposed project. I understand that all documents submitted on behalf of this application become the property of the City of Hagerstown and may be subject to inspection and copying pursuant to the Public Information Act.

Signed:  Date: 8/25/2022

Staff have reviewed applicant's finances, can confirmed there is more than enough funding to cover the cost of the project.

REQUIRED MOTION

**MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

DATE: December 13, 2022

TOPIC: **Approval of a Resolution Authorizing the Sale of Property Located at
216 South Prospect Street, Hagerstown, Maryland**

Charter Amendment	_____
Code Amendment	_____
Ordinance	_____
Resolution	<u> X </u>
Other	_____

MOTION: I hereby move to for the Mayor and City Council approval of a resolution authorizing the sale of property located at 216 S. Prospect, Hagerstown, MD to Alece and Paul Drnec for a purchase price of \$15,000 pursuant to the Ordinance which was effective on September 24, 2020. The sale will be in accordance with all of the terms and conditions outlined in the attached Purchase Agreement.

DATE OF INTRODUCTION:	12/13/2022
DATE OF PASSAGE:	12/13/2022
EFFECTIVE DATE:	12/13/2022

CITY OF HAGERSTOWN, MARYLAND

**A RESOLUTION TO APPROVE THE
SALE OF 216 SOUTH PROSPECT STREET,
HAGERSTOWN, MARYLAND
TO PAUL AND ALECE DRNEC**

RECITALS

WHEREAS, by Ordinance which was effective on September 24, 2020 (the “Ordinance”) the Mayor and Council approved the acquisition, demolition and sale of a property located at 216 South Prospect Street in the City of Hagerstown, Maryland (hereinafter the “Property”); and

WHEREAS, at the time of the City’s acquisition of the Property, it consisted of improved real property which had recently been destroyed by fire and had become a blighting influence on the South Prospect Street neighborhood; and

WHEREAS, pursuant to the Ordinance, City staff has coordinated and effected the demolition of the Property and offered it for sale through the City’s Competitive Negotiated Sale Program; and

WHEREAS, City staff has recommended the Property be sold for the sum of FIFTEEN THOUSAND DOLLARS (\$15,000.00) to Paul and Alece Drnec, who have owned and resided at the residence adjoining the Property since on or about 2015; and

WHEREAS the Mayor and Council believe the sale to be in the best interest of the citizens of the City of Hagerstown to do so; and

WHEREAS, in the Ordinance, the Mayor and Council have previously expressly determined that the Property is not needed for a public purpose and should be sold.

NOW THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Hagerstown, Maryland, as its duly constituted legislative body, as follows:

1. That the foregoing Recitals be and are hereby incorporated herein as if set forth verbatim.
2. That the sale of 216 South Prospect Street to Paul and Alece Drnec for the sum of FIFTEEN THOUSAND DOLLARS (\$15,000.00) be and is hereby approved.
3. That the Mayor be and is hereby authorized to execute and deliver the Purchase Agreement for 216 South Prospect Street, Hagerstown, Maryland, a copy of which is attached hereto and incorporated herein by reference.

4. That City Staff be and are hereby authorized to execute and deliver any additional documentation and take any additional steps necessary to effectuate the purpose of this ordinance and satisfy the terms of the aforesaid contract of sale.

BE IT FURTHER RESOLVED THAT this resolution shall become effective immediately upon its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND

Donna K. Spickler,
City Clerk

Emily N. Keller, Mayor

Date of Introduction: December 13, 2022
Date of Passage: December 13, 2022
Effective Date: December 13, 2022

PREPARED BY:
SALVATORE & MORTON, LLC
CITY ATTORNEYS

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is made this ____ day of _____, 2022, by and between The City of Hagerstown, a Maryland Municipal Corporation (hereinafter "Seller" or "City") and Paul and Alece Drnec, husband and wife, who are residents of the City of Hagerstown, State of Maryland (hereinafter collectively "Buyer").

WHEREAS, the Seller is the owner of certain land in Hagerstown, Washington County, Maryland which it desires to sell; and

WHEREAS, the Buyer desires to purchase said property.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: That the Seller, in consideration of the covenants hereinafter entered into by the Buyer, agrees to sell and does sell to the Buyer, and the Buyer agrees to accept and does accept, subject to the terms and conditions hereinafter set forth, all the following described property:

A tract of unimproved land known as 216 South Prospect Street, being all of the property acquired by the Seller by deed dated October 15, 2020 and recorded among the Land Records of Washington County, Maryland, in Liber 6415, folio 0465, together with all and singular the rights and appurtenances pertaining to such land, including any right, title and interest of the Seller in and to adjacent streets, roads, alleys and rights of way and in, to and under any and all leases affecting such land (the "Premises"), at and for a total purchase price of FIFTEEN THOUSAND DOLLARS and 00/100 Dollars (\$15,000.00) and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged.

1. Settlement shall occur within thirty (30) days of the satisfaction of all contingencies but in no event later than January 31, 2023, at the office of Buyer's attorney or settlement agent.
2. Possession shall be given at the time of settlement.
3. All costs of sale shall be borne by the Buyer.
4. All rent, water rent, real estate and any and all public charges which may exist as liens upon the property shall be apportioned as of the date of settlement.
5. The above-described property is to be held at the risk of the Seller until legal title has passed.
6. Except as otherwise provided herein, Seller is making no warranties as to the condition of the property and the property is being sold "AS IS."
7. Seller shall not enter into any Contracts of any kind with respect to the Property or any portion thereof, except as mutually agreed.

8. Seller is the fee simple record and beneficial owner of the Property. No person or entity has an option, right of first refusal or other similar right to acquire all or any portion of the Property. Seller has performed all obligations under and is not in default in complying with the terms and provisions of any covenants, conditions, restrictions, rights-of-way or easements applicable to the Property.

9. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which Seller is a party.

10. No proceeding, suit or litigation relating to Seller or the Property or any part thereof is pending or, to Seller's knowledge, threatened in any court or other tribunal or before any Governmental Authority. Seller is not the subject of, nor has Seller received any written notice of or threat that it has or will become the subject of, any actions or proceedings under the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. ("Bankruptcy Code"), or under any other federal, state or local laws affecting the rights of debtors and/or creditors generally, whether voluntary or involuntary and including, without limitation, proceedings to set aside or avoid any transfer of any interest in property or obligations, whether denominated as a fraudulent conveyance, preferential transfer or otherwise, or to recover the value thereof or to charge, encumber or impose a lien thereon.

11. Upon payment of the whole purchase money, Seller, on demand, agrees to execute and deliver to Buyer a good and sufficient deed of the above-described premises, with covenants of special warranty and further assurances free of all liens and encumbrances, except those, if any, herein mentioned and such easements, conditions and restrictions, if any, to which the premises may now be subject. If the title should be found defective and cannot be perfected, then this Agreement shall be null and void. Prior to settlement, Buyer shall be entitled to receive a title report at Buyer's cost with respect to the property, and, in the event that such title report indicates matters of exception to title objectionable to Buyer, Buyer may terminate this Agreement, provided that Buyer notifies Seller of its intention to so terminate this Agreement within fifteen (15) days of its receipt of such title report. Such title report shall be brought to date at the time of settlement and Buyer may terminate this Agreement if such title report contains any additional exceptions from the previous title report furnished to Buyer.

12. If Buyer defaults in performing any of Buyer's obligations under this Agreement for any reason other than Seller's default or a permitted termination hereof by Buyer, then Seller shall be entitled to avail itself of any other right or remedy granted to it hereunder or at law or in equity.

13. If Seller defaults in performing any of Seller's obligations under this Agreement for any reason other than Buyer's default or a permitted termination hereof, then Buyer may, at its option, (a) terminate this Agreement, (b) compel specific performance of this Agreement by Seller, or (c) avail itself of any other right or remedy granted to it hereunder or at law or in equity.

14. Each party certifies to the other that it has no knowledge of or has assumed any obligation with respect to recognizing or paying any commission to a real estate broker or agent for services rendered in connection with this sale.

15. Buyer shall not assign this Agreement to any party without the prior written consent of the Seller.

16. This Agreement and all documents referred to herein are governed by and construed and interpreted in accordance with the laws of the State of Maryland, without regard to its conflicts of law principles.

17. To facilitate execution, this Agreement may be executed in as many counterparts as may be required. It shall not be necessary that the signature on behalf of both parties hereto appear on each counterpart hereof. All counterparts hereof shall collectively constitute a single agreement.

18. Regardless of whether Closing occurs hereunder, each party hereto shall be responsible for its own costs in connection with this Agreement and the transactions contemplated hereby, including without limitation fees of attorneys, engineers and accountants.

19. All notices, requests, demands and other communications hereunder shall be in writing and shall be given to such party at its address or telecopy number set forth below or such other address or telecopy number as such party may hereafter specify for that purpose by notice to the other party. Each such notice, request, or communication shall, for all purposes, be deemed given and received (a) if given by telecopy, when such telecopy is transmitted to the telecopy number specified below during normal business hours and confirmation or complete receipt is received during normal business hours, provided that on the day on which the telecopy is sent, the sender also sends a copy by a recognized overnight delivery service, (b) if hand delivered against receipted copy, when the copy thereof is receipted, (c) if given by a recognized overnight delivery service, the day after being sent prepaid by such recognized overnight delivery service, or (d) if given by registered or certified mail, return receipt requested postage prepaid, three (3) days after it is posted with the United States Postal Service at the address specified below:

For the Seller: City of Hagerstown
Scott Nicewarner
City Administrator
1 East Franklin Street
Hagerstown, MD 21740

With a copy to:

Jason Morton
SALVATORE & MORTON, LLC
82 West Washington Street, Suite 100
Hagerstown, Maryland 21740
(fax) 401/797-6065

For the Buyer: Paul and Alece Drnec
208 South Prospect Street
Hagerstown, Maryland 21740

Any party hereto may change its address or designate different or other persons or entities to receive copies by notifying the other party in a manner described in this Section.

20. Seller agrees that it will, at any time and from time to time after the Closing Date, upon reasonable request of Buyer, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required for the better assigning, transferring, granting, assuring and confirming to Buyer, or to its successors and assigns of, or for aiding and assisting in collecting and reducing to possession, any or all of the property being transferred to Buyer pursuant to this Agreement; provided, however, that any instruments to be executed by Seller shall be in form and substance reasonably acceptable to Seller and in no event shall Seller be required to incur any liability or obligation in addition to that which it is obligated to incur under this Agreement. The provisions of this Section shall survive the closing of the transactions contemplated by this Agreement.

21. This Agreement contains the final and entire agreement between the parties hereto and neither they nor their agents shall be bound by any terms, conditions or representations not herein written.

WITNESS the names and seals of the parties hereto, signed the date first above written:

ATTEST:

SELLER
City of Hagerstown

Donna K. Spickler, City Clerk

BY: _____(SEAL)
Emily N. Keller

WITNESS:

BUYER

_____(SEAL)
Paul Drnec

WITNESS:

BUYER

_____(SEAL)
Alece Drnec

STATE OF MARYLAND, COUNTY OF WASHINGTON, to-wit:

I HEREBY CERTIFY that on this day of , 2022, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Paul Drnec and Alece Drnec, husband and wife, whose names are subscribed to the foregoing Purchase Agreement, and who acknowledged that they executed the same for the purposes therein contained as the act of themselves, with full authority to do so.

WITNESS my hand and Official Notarial Seal.

Notary Public

My Commission Expires:

STATE OF MARYLAND, COUNTY OF WASHINGTON, to-wit:

I HEREBY CERTIFY that on this day of , 2022, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Emily N. Keller, known to me to be the Mayor of The City of Hagerstown, whose name is subscribed to the foregoing Purchase Agreement, and who acknowledged that she executed the same for the purposes therein contained as the act of The City of Hagerstown, with full authority to do so.

WITNESS my hand and Official Notarial Seal.

Notary Public

My Commission Expires:

Prior Authorized Ordinance – Effective September 24, 2020

CITY OF HAGERSTOWN, MARYLAND

**AN ORDINANCE TO APPROVE THE
PURCHASE, DEMOLITION AND SALE
OF A PROPERTY KNOWN AS
216 SOUTH PROSPECT STREET, HAGERSTOWN, MARYLAND**

RECITALS

WHEREAS, Duane Browning, an individual resident of the State of Maryland, owns a property located at 216 South Prospect Street in Hagerstown, Maryland (hereinafter the "Property"); and

WHEREAS, the Property was recently damaged by fire, is no longer habitable for rental dwellings, has been vacant for a period of time and has become a blighting influence on the South Prospect Street neighborhood; and

WHEREAS, the Mayor and Council believe that the acquisition, demolition and sale of the Property through the is consistent with the goals and priorities of the Mayor and Council;

WHEREAS, Mr. Browning has agreed to donate the Property to the City in "as-is" condition, pursuant to the terms and conditions set forth in the attached Agreement of Donation;

WHEREAS, after demolition, the City has determined that the Property will no longer be required for a public purpose and should be sold; and

WHEREAS the Mayor and Council believe it to be in the best interest of the citizens of the City of Hagerstown to do so;

NOW THEREFORE, BE IT RESOLVED, ENACTED AND ORDAINED by the Mayor and Council of the City of Hagerstown, Maryland, as its duly constituted legislative body, as follows:

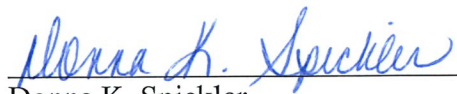
1. That the foregoing Recitals be and are hereby incorporated herein as if set forth verbatim.
2. That the donation of 216 South Prospect Street be and is hereby approved.
3. That the Mayor be and is hereby authorized to execute and deliver the Agreement of Donation for 216 South Prospect Street, a copy of which is attached hereto and incorporated herein by reference.
4. That City Staff be and are hereby authorized to execute and deliver any additional documentation and take any additional steps necessary to effectuate the purpose of this ordinance and satisfy the terms of the aforesaid agreement of donation.

BE IT FURTHER RESOLVED, ENACTED AND ORDAINED THAT that the Mayor and Council hereby expressly determine that upon the completion of the acquisition and demolition of 216 South Prospect Street, said property will no longer be needed for a public use and hereby authorize sale of said property to a private owner.

BE IT FURTHER RESOLVED, ENACTED AND ORDAINED THAT this ordinance shall become effective at the expiration of thirty (30) calendar days following its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND



Donna K. Spickler,
City Clerk



Robert E. Bruchey, Mayor

Date of Introduction: July 28, 2020
Date of Passage: August 25, 2020
Effective Date: September 24, 2020

PREPARED BY:
SALVATORE & MORTON, LLC
CITY ATTORNEYS

AGREEMENT OF DONATION

THIS AGREEMENT OF DONATION ("Agreement") is made this 1 day of October, 2020, by and between Duane Browning, an individual resident of the State of Maryland (hereinafter "Donor"), and The City of Hagerstown, a Maryland Municipal Corporation (hereinafter "Donee" or "City").

WHEREAS, the Donor is the owner of certain land in Hagerstown, Washington County, Maryland which he desires to donate to the City; and

WHEREAS, the Donee wishes to accept land for demolition and resale;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: That the Donor, in consideration of the covenants hereinafter entered into by the Donee, agrees to donate and does donate to the Donee, and the Donee agrees to accept and does accept, subject to the terms and conditions hereinafter set forth, all the following described property:

A tract of land known as 216 South Prospect Street, being all of the property acquired by the Donor by deed dated June 11, 2019 and recorded among the Land Records of Washington County, Maryland, in Liber 6001, folio 105, together with all buildings and other improvements situated thereon and all fixtures located on, attached to, or used in connection with the buildings and other improvements situated thereon and together with all and singular the rights and appurtenances pertaining to such land, including any right, title and interest of the Donor in and to adjacent streets, roads, alleys and rights of way and in, to and under any and all leases affecting such land (the "Premises"), at and for a total purchase price of Zero and 00/100 Dollars (\$0.00) but for other good and valuable consideration, including Donor's willingness to demolish said Premises at its own expense.

1. Settlement shall occur within thirty (30) days of the satisfaction of all contingencies but in no event later than October 16, 2020, at the office of Donee's attorney.
2. Possession shall be given at the time of settlement, except that Donee may enter upon the premises at any time and for any purpose reasonably necessary for the acquisition, inspection and demolition of the property by the Donee. Donee may make such changes and alterations to the Premises as it deems desirable prior to settlement.
3. All costs of transfer shall be borne by the Donee.
4. All rent, water rent, real estate and any and all public charges which may exist as liens upon the property shall be paid by the Donee (or forgiven by the Donee) as of the date of settlement.
5. The above described Premises are to be held at the risk of the Donor until legal title has passed.

0-20-24

6. Except as otherwise provided herein Donor is making no warranties as to the condition of the property and the Premises are being sold "AS IS."

7. Donor affirms that he is the fee simple record and beneficial owner of the Property. No person or entity has an option, right of first refusal or other similar right to acquire all or any portion of the Property. Donor has performed all obligations under and is not in default in complying with the terms and provisions of any covenants, conditions, restrictions, rights-of-way or easements applicable to the Premises. Donor shall not enter into any Contracts of any kind with respect to the Premises or any portion thereof, except as mutually agreed.

8. Donor affirms that no proceeding, suit or litigation relating to Donor or the Premises or any part thereof is pending or, to Donor's knowledge, threatened in any court or other tribunal or before any Governmental Authority. Donor is not the subject of, nor has Donor received any written notice of or threat that it has or will become the subject of, any actions or proceedings under the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. ("Bankruptcy Code"), or under any other federal, state or local laws affecting the rights of debtors and/or creditors generally, whether voluntary or involuntary and including, without limitation, proceedings to set aside or avoid any transfer of any interest in property or obligations, whether denominated as a fraudulent conveyance, preferential transfer or otherwise, or to recover the value thereof or to charge, encumber or impose a lien thereon.

9. At settlement, Donor, agrees to execute and deliver to Donee a good and sufficient deed of the above described premises, with covenants of special warranty and further assurances free of all liens and encumbrances, except those, if any, herein mentioned and such easements, conditions and restrictions, if any, to which the premises may now be subject. If the title should be found defective and cannot be perfected, then this Agreement shall be null and void. Prior to settlement, Donee shall be entitled to receive a title report at Donee's cost with respect to the property, and, in the event that such title report indicates matters of exception to title objectionable to Donee, Donee may terminate this Agreement, provided that Donee notifies Donor of its intention to so terminate this Agreement within Fifteen (15) days of its receipt of such title report. Such title report shall be brought to date at the time of settlement and Donee may terminate this Agreement if such title report contains any additional exceptions from the previous title report furnished to Donee.

10. If Donee defaults in performing any of Donee's obligations under this Agreement for any reason other than Donor's default or a permitted termination hereof by Donee, then Donor shall be entitled to avail itself of any other right or remedy granted to it hereunder or at law or in equity. If Donor defaults in performing any of Donor's obligations under this Agreement for any reason other than Donee's default or a permitted termination hereof, then Donee may, at its option, (a) terminate this Agreement, (b) compel specific performance of this Agreement by Donor, or (c) avail itself of any other right or remedy granted to it hereunder or at law or in equity.

11. Each party certifies to the other that it has no knowledge of or has assumed any obligation with respect to recognizing or paying any commission to a real estate broker or agent for services rendered in connection with this sale.

12. It is the express understanding of the parties that time is of the essence of this Agreement, that the terms and provisions hereof shall survive the delivery of the deed of conveyance, and that this Agreement shall be binding upon the parties, their heirs, successors and assigns. However, Donee shall not assign this Agreement to any party without the prior written consent of the Donor.

13. This Agreement and all documents referred to herein are governed by and construed and interpreted in accordance with the laws of the State of Maryland.

14. To facilitate execution, this Agreement may be executed in as many counterparts as may be required. It shall not be necessary that the signature on behalf of both parties hereto appear on each counterpart hereof. All counterparts hereof shall collectively constitute a single agreement.

15. Regardless of whether settlement occurs hereunder, each party hereto shall be responsible for its own costs in connection with this Agreement and the transactions contemplated hereby, including without limitation fees of attorneys, engineers and accountants.

16. All notices, requests, demands and other communications hereunder shall be in writing and shall be given to such party at its address or telecopy number set forth below or such other address or telecopy number as such party may hereafter specify for that purpose by notice to the other party. Each such notice, request, or communication shall, for all purposes, be deemed given and received (a) if given by telecopy, when such telecopy is transmitted to the telecopy number specified below during normal business hours and confirmation or complete receipt is received during normal business hours, provided that on the day on which the telecopy is sent, the sender also sends a copy by a recognized overnight delivery service, (b) if hand delivered against receipted copy, when the copy thereof is receipted, (c) if given by a recognized overnight delivery service, the day after being sent prepaid by such recognized overnight delivery service, or (d) if given by registered or certified mail, return receipt requested postage prepaid, three (3) days after it is posted with the United States Postal Service at the address specified below:

For the Donor: Duane Browning
304 Upper College Terrace 6415 Green Valley Rd.
Frederick, Maryland 21701 New Market, MD 21774

For the Donee: City of Hagerstown
Attn: Paul Fulk
1 East Franklin Street
Hagerstown, MD 21740

With a copy to:

Jason Morton

SALVATORE & MORTON, LLC
82 West Washington Street, Suite 100
Hagerstown, Maryland 21740

Any party hereto may change its address or designate different or other persons or entities to receive copies by notifying the other party in a manner described in this Section.

17. Further Assurances. Donor agrees that it will, at any time and from time to time after the settlement, upon reasonable request of Donee, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required for the better assigning, transferring, granting, assuring and confirming to Donee, or to its successors and assigns of, or for aiding and assisting in collecting and reducing to possession, any or all of the assets or property being transferred to Donee pursuant to this Agreement; provided, however, that any instruments to be executed by Donor shall be in form and substance reasonably acceptable to Donor and in no event shall Donor be required to incur any liability or obligation in addition to that which it is obligated to incur under this Agreement. The provisions of this Section shall survive the closing of the transactions contemplated by this Agreement.

18. This Agreement contains the final and entire agreement between the parties hereto and neither they nor their agents shall be bound by any terms, conditions or representations not herein written.

WITNESS the names and seals of the parties hereto, signed the date first above written:

ATTEST:

DONOR

Donna K. Spickler

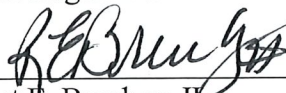
 (SEAL)
Duane Browning

ATTEST:

DONEE

City of Hagerstown

Donna K. Spickler
Donna K. Spickler, City Clerk

BY:  (SEAL)
Robert E. Bruchey, II

STATE OF MARYLAND, COUNTY OF Washington, to-wit:

I HEREBY CERTIFY that on this 1st day of October, 2020, before me, the subscriber, a Notary Public in and for the State and County aforesaid, Duane Browning, personally appeared before me, whose name is subscribed to the foregoing Agreement of Donation, and who acknowledged that he executed the same for the purposes therein contained as his true act and deed, with full authority to do so.

WITNESS my hand and Official Notarial Seal.

Donna Kay Spuckler
Notary Public

My Commission Expires: December 8, 2022

STATE OF MARYLAND, COUNTY OF WASHINGTON, to-wit:

I HEREBY CERTIFY that on this 24th day of September, 2020, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Robert E. Bruchey, II, known to me to be the Mayor of The City of Hagerstown, whose name is subscribed to the foregoing Agreement of Donation, and who acknowledged that he executed the same for the purposes therein contained as the act of The City of Hagerstown, with full authority to do so.

WITNESS my hand and Official Notarial Seal.

Jason Miller
Notary Public

My Commission Expires: 3/16/2022

THIS DEED, Made this 15th day of October, 2020, by and between Duane Browning, an adult resident of the State of Maryland (hereinafter, the "Grantor"), and the City of Hagerstown, Maryland, a municipal corporation existing under and by virtue of the laws of the State of Maryland, as grantee (hereinafter, the "City").

WHEREAS, Grantor is the owner of all that real property situate in Washington County, Maryland, as more particularly described hereinbelow (hereinafter, the "Property"); and

WHEREAS, an Ordinance was enacted by the Hagerstown City Council and signed by the Mayor of Hagerstown having an effective date of September 24, 2020, wherein the acquisition of the Property by donation from Grantor to the City was approved, pursuant to the terms and conditions of a Agreement of Donation by and between the City and Grantor dated October 1, 2020; and

WITNESSETH: That for no monetary consideration, but for other good and valuable non-monetary consideration which the Grantor hereby acknowledges, **DUANE BROWNING** does hereby grant and convey unto **THE CITY OF HAGERSTOWN, MARYLAND**, a Maryland municipal corporation, sole owner, in fee simple, all that lot of ground, situate, lying, and being in the County of Washington, State of Maryland, and more particularly described as follows:

All that lot or parcel of land, together with the improvements thereon, and all the rights, alleys, ways, waters, privileges and appurtenances thereunto belonging or in any way appertaining, situate in Hagerstown, Washington County, Maryland on the East side of South Prospect Street between Baltimore Street and Virginia Avenue, and beginning for the same at a point in the East marginal line of said South Prospect Street at the Southwest corner of the property now owned by or formerly owned by Louise D. Tennant and running thence along the East marginal line of South Prospect Street Southwardly a distance of 73 feet, more or less, the the North boundary line of the property now owned or formerly owned by F. Perry Prather and wife, thence Eastwardly along the North marginal line of said Prather lot South 65 degrees 39 minutes East 247 feet, more or less, to the West marginal line of a public alley running South from said Baltimore Street between South Prospect Street and Summit Avenue, thence Northwardly along the West marginal line of said alley North 29 degrees 11 minutes East 59 feet, more or less, to the South lot line of the property now owned or formerly owned by Louise D. Tennant and hereinabove referred to, thence Westwardly with the South lot line of said Tennant property by a straight line 247 feet, more or less, to the East marginal line of said South Prospect Street and the point and place of beginning.

BEING the same property conveyed unto Duane Browning by Matthew B. Ruble, Sole Acting Substitute Trustee, by trustee's deed dated June 11, 2019 and recorded in Book 6001, page 105 among the Land Records of Washington County, Maryland.

The improvements thereon being known as 216 S. Prospect Street, Hagerstown, MD 21740 and having the tax account ID #03-007995.

The property is conveyed together with and subject to all applicable covenants, conditions, restrictions, limitations, rights of way, streets, alleys, reservations and easements of record.

And the said Grantor does hereby covenant that he will warrant specially the property hereby conveyed, except as to the aforesaid covenants, conditions, restrictions, limitations, rights of way, streets, reservations, alleys, and easements of record, and does hereby further covenant that he will execute such other and further assurances of the land as may be requisite.

KURTYKA & ASSOCIATES, LLC
ATTORNEY AT LAW

201 PROSPECT AVENUE
SUITE 122
HAGERSTOWN, MD 21742
(301) 714-0889

THIS DEED, Made this 15th day of October, 2020, by and between Duane Browning, an adult resident of the State of Maryland (hereinafter, the "Grantor"), and the City of Hagerstown, Maryland, a municipal corporation existing under and by virtue of the laws of the State of Maryland, as grantee (hereinafter, the "City").

WHEREAS, Grantor is the owner of all that real property situate in Washington County, Maryland, as more particularly described hereinbelow (hereinafter, the "Property"); and

WHEREAS, an Ordinance was enacted by the Hagerstown City Council and signed by the Mayor of Hagerstown having an effective date of September 24, 2020, wherein the acquisition of the Property by donation from Grantor to the City was approved, pursuant to the terms and conditions of a Agreement of Donation by and between the City and Grantor dated October 1, 2020; and

WITNESSETH: That for no monetary consideration, but for other good and valuable non-monetary consideration which the Grantor hereby acknowledges, **DUANE BROWNING** does hereby grant and convey unto **THE CITY OF HAGERSTOWN, MARYLAND**, a Maryland municipal corporation, sole owner, in fee simple, all that lot of ground, situate, lying, and being in the County of Washington, State of Maryland, and more particularly described as follows:

All that lot or parcel of land, together with the improvements thereon, and all the rights, alleys, ways, waters, privileges and appurtenances thereunto belonging or in any way appertaining, situate in Hagerstown, Washington County, Maryland on the East side of South Prospect Street between Baltimore Street and Virginia Avenue, and beginning for the same at a point in the East marginal line of said South Prospect Street at the Southwest corner of the property now owned by or formerly owned by Louise D. Tennant and running thence along the East marginal line of South Prospect Street Southwardly a distance of 73 feet, more or less, to the North boundary line of the property now owned or formerly owned by F. Perry Prather and wife, thence Eastwardly along the North marginal line of said Prather lot South 65 degrees 39 minutes East 247 feet, more or less, to the West marginal line of a public alley running South from said Baltimore Street between South Prospect Street and Summit Avenue, thence Northwardly along the West marginal line of said alley North 29 degrees 11 minutes East 59 feet, more or less, to the South lot line of the property now owned or formerly owned by Louise D. Tennant and hereinabove referred to, thence Westwardly with the South lot line of said Tennant property by a straight line 247 feet, more or less, to the East marginal line of said South Prospect Street and the point and place of beginning.

BEING the same property conveyed unto Duane Browning by Matthew B. Ruble, Sole Acting Substitute Trustee, by trustee's deed dated June 11, 2019 and recorded in Book 6001, page 105 among the Land Records of Washington County, Maryland.

The improvements thereon being known as 216 S. Prospect Street, Hagerstown, MD 21740 and having the tax account ID #03-007995.

The property is conveyed together with and subject to all applicable covenants, conditions, restrictions, limitations, rights of way, streets, alleys, reservations and easements of record.

And the said Grantor does hereby covenant that he will warrant specially the property hereby conveyed, except as to the aforesaid covenants, conditions, restrictions, limitations, rights of way, streets, reservations, alleys, and easements of record, and does hereby further covenant that he will execute such other and further assurances of the land as may be requisite.

KURIYKA & ASSOCIATES, L.L.C.
ATTORNEY AT LAW

201 PROSPECT AVENUE
SUITE 122
HAGERSTOWN, MD 21742
(301) 714-0889

WITNESS the hand and seal of the Grantor herein the day and year first above written.

BMK
Witness

DET (SEAL)
Duane Browning

STATE OF MARYLAND, COUNTY OF WASHINGTON, to-wit:

I HEREBY CERTIFY, That on this 15th day of OCTOBER, 20 20, before me, the undersigned officer, personally appeared Duane Browning, known to me (or satisfactorily proven) to be the person described in the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained, and that the consideration recited therein is true and correct.

WITNESS my hand and official Notarial Seal.

My Commission expires: 9-26-2022

Brian M. Kurtyka
Notary Public



I hereby certify that the within instrument was prepared by or under the supervision of the undersigned, an attorney duly admitted to practice before the Court of Appeals of Maryland.

BMK
Brian M. Kurtyka

Mail To:

~~Salvatore & Morton, LLC~~
~~82 W. Washington Street, Suite 100~~
~~Hagerstown, MD 21740~~

CITY HALL
ATTN: DONNA SPICKLER, CITY CLERK
1 E. FRANKLIN STREET
HAGERSTOWN, MD 21740

TODD L. HERSHEY, TREASURER
TAXES PAID 11/5/20
AUTHORIZED BY: TH

KURTYKA & ASSOCIATES, LLC
ATTORNEY AT LAW
201 PROSPECT AVENUE
SUITE 122
HAGERSTOWN, MD 21742
(301) 714-0889

0-20-24

**Certification of Exemption from Withholding Upon
Disposition of Maryland Real Estate Affidavit of
Residence or Principal Residence**

2020

Based on the certification below, Transferor claims exemption from the tax withholding requirements of §10-912 of the Tax-General Article, Annotated Code of Maryland. Section 10-912 provides that certain tax payments must be withheld and paid when a deed or other instrument that effects a change

in ownership of real property is presented for recordation. The requirements of §10-912 do not apply when a transferor provides a certification of Maryland residence or certification that the transferred property is the transferor's principal residence.

1. Transferor Information

Name of Transferor DUANE BROWNING

2. Description of Property (Street address. If no address is available, include county, district, subdistrict and lot numbers).

216 S. PROSPECT STREET, HAGERSTOWN, MD 21740

3. Reasons for Exemption

Resident Status



As of the date this form is signed, I, Transferor, am a resident of the State of Maryland.



Transferor is a resident entity as defined in Code of Maryland Regulations (COMAR)03.04.12.02B(11), I am an agent of Transferor, and I have authority to sign this document on Transferor's behalf.

Principal Residence

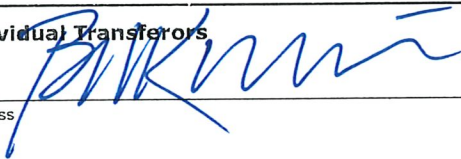


Although I am no longer a resident of the State of Maryland, the Property is my principal residence as defined in IRC 121 (principal residence for 2 (two) of the last 5 (five) years) and is currently recorded as such with the State Department of Assessments and Taxation.

Under penalty of perjury, I certify that I have examined this declaration and that, to the best of my knowledge, it is true, correct, and complete.

3a. Individual Transferors

Witness



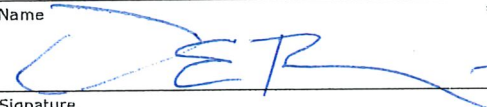
DUANE BROWNING

10/15/2020

Name

**Date

Signature



3b. Entity Transferors

Witness/Attest

Name of Entity

By

Name

**Date

Title

** Form must be dated to be valid.

Note: Form is only valid if it was executed on the date the Property was transferred and is properly recorded with the Clerk of the Court.

To the Clerk of the Court: Only an un-altered Form WH-AR should be considered a valid certification for purposes of Section 10-912.

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Request to Purchase Competitive Negotiated Sale (CNS) Property: 239 N. Locust Street -
*Chris Siemerling, Economic Development Specialist and Doug Reaser, Business
Development Specialist*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

120622_WS_239_N._Locust.pdf

Description

Request to Purchase CNS
Property: 239 N. Locust St.



CITY OF HAGERSTOWN, MARYLAND

Department of Community and Economic Development

TO: Scott Nicewarner, City Administrator

FROM: Christopher Siemerling, Economic Development Specialist
Doug Reaser, Business Development Specialist

DATE: December 2, 2022

RE: Request to Purchase CNS Property: 239 N. Locust St.

Staff members will attend the December 6th, 2022 Work Session of the Mayor and City Council to review a proposal from Augustine M. Boyce, majority owner of AuChar Properties, LLC, to purchase the property at 239 North Locust Street, as part of the City's "Competitive Negotiated Sale" (CNS) program. The following is a summary of the request:

Proposal:

- Request from Augustine Boyce, a local property developer and landlord in the community.
- Boyce's proposed purchase price is \$45,000, no recent appraisal is available.
- Request to purchase the 8,480sqft property for mixed-use development of a commercial laundromat on the first floor, and four 2BR apartments above (scope of work modified from six 1BR units due to Zoning concerns).
- The source of financing is line of credit totaling \$327,710 for use of real estate acquisition and rehab.

Background:

- The City has owned the Alms House located at 239 N. Locust Street since its acquisition in November 2004 for \$90,000 (funds from CIP Fund Balance).
- Alms House landmark zoning overlay was adopted by Mayor and City Council in 2009 (property is subject to local Historic District Commission review with a landmark overlay designation).
- Property has been vacant while under City ownership and last occupancy was likely in the 1970's based on prior research.

Attached: CNS Application and Supporting Documents
 Required Motion
 Purchase Agreement and Addendums

c: Review Committee
 Jill Thompson, Director of Community and Economic Development
 Michelle Hepburn, Chief Financial Officer
 Steve Bockmiller, Zoning Administrator
 Paul Kifer, Chief of Police
 Eric Deike, Director of Public Work

City of Hagerstown
Department of Community & Economic Development
14 North Potomac Street Suite 200A
Hagerstown, 21740



Competitive Negotiated Sale (CNS) of City Owned Property

PROGRAM OVERVIEW

The Competitive Negotiated Sale is a process that facilitates the sale of City-owned properties. The City of Hagerstown makes real estate available for purchase and redevelopment. The Department of Community and Economic Development (DCED) coordinates the process and accepts purchase applications. The Mayor and City Council identify properties to be offered for sale and ultimately approve any development concept and purchase.

Who Is Eligible To Purchase City Property through the Competitive Negotiated Sale Process?

Any entity or individual may qualify to purchase City property through this process except that some restrictions may apply to City of Hagerstown employees. The purchaser must be able to demonstrate the financial ability and experience necessary to complete the purchase, any proposed development plan and /or the operation and proper maintenance of the property.

What Financial Incentives Are Available?

Redevelopment projects that will create visible change and provide tangible public benefits may be eligible for various forms of financial assistance, such as facade grants. Eligibility for most financial assistance programs requires a property location in a designated redevelopment area. For more information on the various assistance programs administered by DCED, visit the department's webpage at www.hagerstownmd.org

Application and Approval Process

Applicants must submit a completed CNS application form, along with any and all required supporting documents, to DCED. A staff committee will review all complete application submittals and recommend certain applications to be presented to the Mayor and City Council. Competitive proposals are accepted on an ongoing basis. Application reviews occur the first week of each month. In order to be considered in a timely fashion, please submit a completed application before the end of the month. If a concept is approved by the Mayor and City Council, staff will be authorized to negotiate a Purchase Agreement consistent with the terms of the application.

Application for Purchase of City-Owned Property

Please return the completed application and supporting documentation to:

City of Hagerstown
Department of Community and Economic Development
14 N. Potomac Street, Suite 200A
Hagerstown, MD 21740

I. Information

1. This is a proposed: ☐ Purchase ☒ Purchase and Redevelopment
 - a. If redevelopment, the project name: 239 N Locust
2. Provide the street address of the property to be purchased below:
239 N Locust Street, Hagerstown, MD 21740
3. Current Use of Property: ☐ Vacant Land ☒ Improved with Building

II. Applicant Information

4. Name of Applicant: Augustine M. Boyce
5. Business Name: AuChar Properties, LLC
6. Business Address: 229-231 N Locust Street, Hagerstown, MD 21740
7. Phone Number: (703) 349-0830 Fax Number: _____
8. Email Address: boyceam@auchar.com
9. Type Of Business: ☐ Individual ☐ Sole Proprietorship ☐ Nonprofit Corporation
☐ For-Profit Corporation ☐ Partnership ☒ LLC
10. Name, address and phone numbers of other persons or entities having an ownership in the applicant business entity:

11. Provide a description of your real estate development or related business experience.

Attach additional sheets if necessary:

I have been developing and operating properties since 2008 when I acquired my first investment property. My company was founded in 2011 (two years after my first property), and I currently own and operate 15 rental units. They consist of two buildings in Washington, DC; one in Woodbridge, VA; and one in Hagerstown, MD which consists of 8 rental units and is located at 229-231 N Locust Street; it was purchased in 2014.

At time of purchase it was blighted and in serious disrepair. It had a pretty bad record with the Hagerstown Police department. We have been able to completely renovate it, and operate it at full occupancy with tenants that have very little or not interactions with the police. We have tenants with credit scores of 700 and above. When we took over the building the highest credit score we could hope to attract was about 550. In 2020 we received a PCAD Certificate of Appreciation for proper maintenance. Continue on attached.

III. Purchase and Redevelopment Proposal

12. Do you own or control an adjacent property? If so, identify the property by address, describe your interest and describe its current use:

Yes, my company owns and operates the adjacent building located at 229-231 N Locust Street mentioned above. It was procured in 2014, it is a multi-family residential rental building consisting of eight units, all of which are currently occupied. We are currently working with the city for an easement to be able to access the rear of this building via the driveway on 239 N Locust property.

13. Type of Redevelopment Proposed: ☐ Commercial/Retail ☒ Multi-Family Residential

☐ Single Family/Townhouse

☐ Industrial

☐ Institutional/Nonprofit

☐ Accessory Parking/Open

☐ Mixed Use

☐ Other _____

14. Project narrative: Write a brief description of the project. Be as specific as possible about the project budget, timing, scope of work, intended end users of the property, type of construction and financing. If you own an adjacent property, describe how the City parcel will enhance the overall project. Attach additional sheets if necessary.

I would like to restore this building to a six units residential apartment building like it was. The improvements are going to be updated and contemporary. Much of the interior will be rebuilt. Projected improvements will include the following:

Interior:

1. Redesign units floor plans

2. New plumbing

3. New electrical, each unit separately metered

4. New mechanical systems (HVAC)

5. New or refinished flooring - hardwood and ceramic tiles

6. Build a laundry room on first floor with coin operated washer/dryer for tenants

Exterior:

1. Repair or replace roofing

2. Repair exterior brick walls

3. Design and pave parking lot to accommodate vehicles for this building and 229-231

15. Provide sources, project budget and and uses of funds.

Funding will come from bank or private financing and perhaps some self-financing if necessary.

Based on past experience, prevailing market conditions, and a rough analysis of the project I am projecting a total budget of \$250K. About \$45K for property acquisition and about \$205K for the rest of the project. My target is to have the project completed within one to two years.

Please excuse me for not providing more granular details as I would need further professional assistance for that. Once I get some ratified engagement with the city I can obtain the necessary professional assistance to provide any level of details you may require.

16. Proposed Purchase Price: \$45,000.00

17. If you have copies of site plans or concept drawings, please attach them.

18. Job Retention/Creation: List projected number of part time and full time jobs at the project after completion if applicable.

	<u>Jobs Retained</u>	<u>Jobs Created</u>	<u>Total Jobs</u>
<u>Full Time</u>	<u>1</u>	<u> </u>	<u>1</u>
<u>Part Time</u>	<u>1</u>	<u> </u>	<u>1</u>

19. Identify any public benefits, if any, to be created by the project:

Completion of this project will provide quality rental housing for the public, and provide parking spaces for the associated tenants. This will alleviate their need for street parking thereby making room for others and reducing parking congestion. The building will be professionally managed and thus enhance the quality of tenants which will bring more stability to the area.

20. Please attach construction pro-forma, project budget and revenue projections if available.

IV. Signature

I, the undersigned, affirm that the project descriptions, numerical and financial estimates, and all other information I have provided in this application are true and complete to the best of my knowledge. I have read and understood the requirements described in the overview and application. Furthermore, I certify that I am authorized to initiate the application process on behalf of the project described.

I understand that I must demonstrate to the satisfaction of the department the ability of the purchasing entity to complete the proposed project. I understand that all documents submitted on behalf of this application become the property of the City of Hagerstown and may be subject to inspection and copying pursuant to the Public Information Act.

Signed:  dotloop verified
08/24/22 6:53 PM EDT
2NNM-I4Q8-2GIB-2UIA Date: 08/24/2022



Confidential Information Form

Please be advised that documents submitted to the City of Hagerstown are considered public records. As such, they are subject to the dictates of Maryland's Public Information Act, which permits inspection and copying of most public records in an effort to ensure open and fair governance within the State. However, certain records are affirmatively protected from disclosure by specific exceptions found in the Act. Among other categories, these exceptions include personal identification information of individuals, trade secrets, and confidential commercial or financial information.

If you believe information contained in the documents or other materials submitted to the City of Hagerstown are confidential based upon these or other exceptions contained in the Act, please identify the sections of the document which contain confidential information by listing the document section below:

	<u>Section</u>	<u>Reason for Confidentiality</u>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____

The determination of whether the above information falls within an exception to disclosure contained in the Act will be made by City staff in consultation with its legal advisors. You will be informed of any determination made in this regard. You can be assured that the City of Hagerstown will comply with the requirements of the Act, and will maintain all appropriately confidential material in strict confidence to the extent permitted by law.

Applicant Print: Augustine M. Boyce Date: 8-24-2022

Applicant Signature: Augustine Boyce

dotloop verified
08/24/22 7:36 PM EDT
ZDFH-HBMT-Q6GK-EQBT

Staff Signature: _____

From: [Augustine Boyce](#)
To: [Chris Siemerling](#)
Subject: Re: CNS Application - 239 N. Locust Street
Date: Wednesday, August 31, 2022 10:03:46 AM
Attachments: [image001.jpg](#)

ATTENTION! This message originated from an **external source**. Please use proper judgment and caution when opening **attachments, clicking links, or responding** to this email. Any claims of being a City official or employee **should be verified** and not assumed to be true. Please contact the IT department if you have any questions or concerns about this email or its contents.

Hello Chris,

Good to hear from you, I look forward to working with you. Please find answers to your questions below.

1. Your application lists \$205,000 in redevelopment costs for the property. Have you received contractor quotes for the scope of work you identified?

Ans: I want to thank you for reviewing and responding to my application, I am excited about the opportunity and potential for the Alms House building. However it would be difficult to obtain quotes on various aspects of the project without the relevant architectural design (e.g. for electrical, plumbing, HVAC quotes a design is necessary or the structure needs to be in place). This will require hiring an architect which entails capital expenses. I am waiting to get some ratified engagement with the city before hiring an architect. However, if providing the quotes is a firm requirement in order to move forward please let me know and I will endeavour to make the necessary arrangements to procure the services of an architect.

The estimate provided is based on my years of experience working construction projects. I have redeveloped about four buildings which I currently manage and operate. I was trained as an Electrical Engineer and worked over 20 as an engineer in various capacities prior to changing careers to real estate. The estimate provided is a rough estimate but I strongly believe it will be sufficient to get the job done.

2. You mentioned a laundry room for tenants. Will this be for tenants only, or will it also be open to the public?

Ans: The laundry room will be for tenants only like it is in the adjacent building I currently own. The building will always be locked with access provided only to tenants.

3. Do you have an anticipated rental rate for the property that you'd be able to share?

Ans: Yes, I intend to have six one-bedroom units in the building, currently it seems like the building contains four two-bedroom units. The going rate for the average one-bedroom apartment is between \$800.00 and \$1000.00, I intend to set my price between \$800.00 and \$900.00.

4. Will you be seeking historical tax credits for the property redevelopment?

Ans: My current funding plan is not based on obtaining historical tax credits for the property development. However, I do appreciate the fact that it is a historical building and I would be happy to do whatever I can to insure that it is preserved as such if my offer is accepted. To that extent I would be delighted if I can benefit from a historical tax credit to accomplish that,

but it is not the primary basis of my funding plan.

5. Finally, we ask for either a confirmed loan letter, bank statement, or other proof of financing for application. Would you be able to provide a copy of the statement of the account you will be using?

Ans: Yes, I am currently working on getting the loan, if it is ok I can provide an update as to where I am with that process by Friday of this week.

Thank you,

Augustine M. Boyce, CISSP
AnChar Properties, LLC
Tel.: (703) 349-0830
Fax: (703) 576-0995
Website: www.auchar.com

On Mon, Aug 29, 2022 at 4:00 PM Chris Siemerling <CSiemerling@hagerstownmd.org> wrote:

Good Morning Augustine,

I wanted to take the chance and follow up with your interest in the Alm's House located at 239 N. Locust Street. My name is Chris Siemerling, and I'm the Economic Development Specialist for the City. I will be working with you to ensure we have everything we need with your application so I can bring it to our Review Committee for initial discussion of your offer.

Moving forward, would you be able to provide the following additional information for your application:

1. Your application lists \$205,000 in redevelopment costs for the property. Have you have received contractor quotes for the scope of work you identified?
2. You mentioned a laundry room for tenants. Will this be for tenants only, or will it also be open to the public?
3. Do you have an anticipated rental rate for the property that you'd be able to share?
4. Will you be seeking historical tax credits for the property redevelopment?
5. Finally, we ask for either a confirmed loan letter, bank statement, or other proof of financing for application. Would you be able to provide a copy of the statement of the account you will be using?
 - a. This will not be presented to the Review Committee, nor Mayor and Council, but would allow us to verify funds are readily available for the purchase and redevelopment if your application is approved.

Staff have reviewed applicant's finances, and confirmed there is funding to cover the cost of the proposed project.

From: [Augustine Boyce](#)
To: [Chris Siemerling](#)
Subject: Re: CNS Application - 239 N. Locust Street
Date: Tuesday, October 4, 2022 9:36:46 AM

ATTENTION! This message originated from an **external source**. Please use proper judgment and caution when opening **attachments, clicking links, or responding** to this email. Any claims of being a City official or employee **should be verified** and not assumed to be true. Please contact the IT department if you have any questions or concerns about this email or its contents.

Good morning Chris,

All of the above are correct, please proceed and update my file accordingly.

Thank you,

Augustine M. Boyce, CISSP
AuChar Properties, LLC
Tel.: (703) 349-0830
Fax: (703) 576-0995
Website: www.auchar.com

On Tue, Oct 4, 2022 at 8:22 AM Chris Siemerling <CSiemerling@hagerstownmd.org> wrote:

Good Morning Augustine,

I wanted to follow up from our phone call yesterday and confirm some of the discussion points we had:

1. Due to Zoning concerns with the property, your original scope of work of six 1BR apartments with a tenant only laundry room is no longer being considered.
2. You have revised your total number of residential units from six 1BR → four 2BR apartments.
3. You have decided to have a commercial laundromat on the first floor open to the community rather than tenant only.

Please confirm the above and I'll be happy to make note of it to your file moving forward.

Christopher Siemerling

Economic Development Specialist

City of Hagerstown

REQUIRED MOTION

**MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

DATE: December 13, 2022

TOPIC: **Introduction of an Ordinance: Authorizing the Sale of Property
Located at 239 N. Locust Street, Hagerstown, Maryland**

Charter Amendment	_____
Code Amendment	_____
Ordinance	<u> X </u>
Resolution	_____
Other	_____

MOTION: I hereby move to introduce an ordinance authorizing the sale of property located at 239 N. Locust, Hagerstown, MD to Augustine M. Boyce for a purchase price of \$45,000. The sale will provide the opportunity for new investment and redevelopment at 239 North Locust Street. The sale will be in accordance with all of the terms and conditions outlined in the attached Purchase Agreement.

DATE OF INTRODUCTION:	12/13/2022
DATE OF PASSAGE:	12/20/2022
EFFECTIVE DATE:	01/21/2023

CITY OF HAGERSTOWN, MARYLAND

**AN ORDINANCE AUTHORIZING THE EXECUTION OF A PURCHASE
AGREEMENT BETWEEN THE CITY OF HAGERSTOWN AND AUGUSTINE BOYCE
FOR THE SALE OF REAL PROPERTY LOCATED AT 239 NORTH LOCUST
STREET, HAGERSTOWN, MARYLAND**

RECITALS

WHEREAS, the City of Hagerstown, Maryland is a Municipal Corporation existing under and by virtue of the laws of the State of Maryland;

WHEREAS, the City owns improved real property located at 239 North Locust Street, Hagerstown, Maryland and described in a deed dated November 10, 2004 and recorded among the Land Records of Washington County at Liber 2492, folio 55 (“the Alms House Property”);

WHEREAS, Augustine Boyce is a Virginia resident who owns a controlling interest in improved real property located at 231 North Locust Street, Hagerstown, Maryland and described in a deed dated May 1, 2014 and recorded among the Land Records of Washington County at Liber 4754, folio 223 (“the AuChar Property”);

WHEREAS, the AuChar Property is located immediately to the south of the Alms House Property;

WHEREAS, Augustine Boyce desires to purchase the Alms House Property, as well as all improvements thereon;

WHEREAS, in exchange for conveyance of the Alms House Property, Augustine Boyce agrees to pay the City the monetary consideration of FORTY-FIVE THOUSAND DOLLARS and 00/100 CENTS (\$45,000.00); and

WHEREAS, the City has determined that the Alms House Property is no longer needed for a public purpose; and

WHEREAS, the introduction of this Ordinance shall constitute the twenty (20)-day notice of the proposed transfer as required by law; and

WHEREAS, attached hereto and incorporated herein is a Purchase Agreement for the sale of the Alms House Property to Augustine Boyce; and

WHEREAS the Mayor and Council believe it to be in the best interest of the citizens of the City of Hagerstown to enter into said Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED, ENACTED AND ORDAINED by the Mayor and Council of the City of Hagerstown, Maryland, as its duly constituted legislative body, as follows:

1. That the foregoing Recitals be and are hereby incorporated herein as if set forth verbatim.
2. That the Mayor and Council find that the Alms House Property is no longer needed for any public purpose.
3. That the sale of the Alms House Property pursuant to the terms of the attached Purchase Agreement is hereby approved.
4. That the Mayor be and is hereby authorized to execute and deliver the Purchase Agreement with Augustine Boyce, a copy of which is attached hereto and incorporated herein by reference.
5. That City Staff be and are hereby authorized to execute and deliver any additional documentation and take any additional steps necessary to effectuate the purpose of this ordinance and satisfy the terms of the aforesaid Purchase Agreement.

BE IT FURTHER RESOLVED, ENACTED AND ORDAINED THAT this ordinance shall become effective at the expiration of thirty calendar days following its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

Donna K. Spickler, City Clerk

MAYOR AND COUNCIL OF THE
CITY OF HAGERSTOWN, MARYLAND

By:_____
Emily N. Keller, Mayor

Date of Introduction: December 13, 2022
Date of Passage: December 20, 2022
Effective Date: January 21, 2023

PREPARED BY:
& MORTON, LLC
CITY ATTORNEY

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "**Agreement**") is made as of the ___ day of 2023, (**the "Effective Date"**) by Augustine M. Boyce ("**Buyer**") and the City of Hagerstown, a Maryland municipal corporation ("**Seller**").

RECITALS

A. Seller is the owner in fee simple of certain improved real property consisting of one (1) parcel of land located in Hagerstown, Maryland known as 239 North Locust Street (Tax Map 306; Parcel 0683) and identified in a Deed to Seller dated November 10, 2004, and recorded at Liber 2492 , Folio 0055, among the Land Records of Washington County, Maryland. The foregoing real property ("Real Property") and improvements thereon ("Improvements") are collectively referred to herein as the "**Property**".

B. Seller has agreed to sell the Property to Buyer, and Buyer has agreed to purchase the Property from Seller, under all of the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated herein by reference as a substantive part of this Agreement.

2. Purchase and Sale of the Property. Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property in accordance with the terms of this Agreement.

3. Purchase Price: Terms of Payment.

3.1 Purchase Price. The aggregate purchase price for the Property ("**Purchase Price**") shall be FORTY-FIVE THOUSAND DOLLARS and 00/100 CENTS (\$45,000.00), ONE THOUSAND DOLLARS (\$1,000.00) of which shall be due and payable as a deposit ("Deposit") simultaneously with the execution of this Agreement, with the balance of the Purchase Price due at settlement, subject to adjustments and prorations as set forth below and in Section 5.

3.2 Terms of Payment. Upon closing under this Agreement, the Purchase Price shall be paid to Seller in immediately available funds by cash, certified check or wire transfer.

4. Closing. The closing of the purchase and sale of the Property shall be held on or **before February 28, 2023** at the office of Buyer's attorney or such other mutually agreeable place in Washington County, Maryland.

4.1 Seller's Closing Deliverables. At the closing, Seller shall deliver the following documents (collectively the "Closing Documents") and such other items described below:

4.1.1 a special warranty deed to the Real Property including a covenant of further assurances, duly executed and acknowledged by Seller and in proper form for recording, conveying fee simple title to the Real Property to Buyer or its designee subject to all conditions, restrictions, rights of way and easements of record and any Permitted Exceptions. Buyer hereby acknowledges and agrees that the deed shall contain a covenant prohibiting use of the Property as a bail bond business, a store front church, Hookah Shop, or tattoo business for a period of 10 years from the date of closing.

4.1.2 a certificate updating the representations and warranties made pursuant to Section 7;

4.1.3 a FIRPTA affidavit;

4.1.4 any transfer tax statements, declarations, filings and other similar documents that may be necessary, to the extent the same are required to be executed by Seller

4.1.5. usual and customary Closing Affidavits as required by the Buyer's title insurance carrier;

4.1.6 a closing statement conforming to the proration and other relevant provisions of this Agreement;

4.1.7 such other information as Buyer may reasonably require to demonstrate Seller's due authorization and performance of this Agreement and the foregoing documents; and

4.1.8. Such other information as the Settlement Agent may reasonably require to demonstrate Seller's due authorization and performance of this Agreement and the foregoing documents.

4.2 Buyer's Closing Deliverables. At the closing, Buyer shall deliver the following:

4.2.1 the balance of the Purchase Price as adjusted pursuant to the terms hereof;

4.2.2 a closing statement conforming to the proration and other relevant provisions of this Agreement; and

4.2.3 a certificate updating the representations and warranties made pursuant to Section 8.

5. Closing Adjustments/Costs.

5.1 Expense Adjustments. The following items of expense shall be adjusted as of 11:59 p.m., of the day immediately preceding the Closing Date such that Seller shall be responsible for all days prior to the Closing Date and Purchaser shall be responsible for the Closing Date and all days thereafter:

5.1.1 Taxes. Real estate, personal property, ad valorem taxes, assessments payable in installments and front foot benefit charges payable in installments that are due and payable with respect to Seller and the Property, respectively, on the basis of the most current bills or other current information available. Assessments payable in a lump sum and not in monthly installments, if any, for improvements completed prior to the Closing Date, whether assessment therefor has been levied or not, shall be paid by Seller or allowance therefor made at the closing.

5.1.2 Utilities. Fuel, water and sewer service charges, and charges for gas, electricity, telephone and all other public utilities. If there are meters on the Property measuring the consumption of water, gas or electric current, Seller shall cause such meters (for utilities for which Seller, and not tenants, are responsible) to be read not more than one (1) day prior to the Closing Date, and shall pay promptly all utility bills for which Seller is liable upon receipt of a statement therefor. Purchaser shall be liable for and shall pay all utility bills for services rendered after such meter readings.

5.2 Final Reconciliation. The adjustments described in this Section 5 shall be paid on the Closing Date. If the amount of any of the adjustments described in this Section 5 cannot be determined on the Closing Date, the adjustment therefor shall be made within thirty (30) days after the Closing Date by cashier's check. In making the adjustments required by this subsection, Seller shall be given credit for all amounts prepaid for the Closing Date and any period thereafter, and Seller shall be charged with any unpaid charges for the period prior to the Closing Date.

5.3 Closing Costs. Buyer shall pay all expenses of examination of title, title insurance commitment and title premiums. All state, county, city, local, and municipal transfer and recordation taxes, if any, owing with respect to the sale of the Property, if any, shall be paid by Buyer. Each of Buyer and Seller shall pay their own attorneys' fees and expenses incurred in connection with this negotiation of this Agreement and the closing of the transactions contemplated hereby.

6. Title. Buyer shall have the right to inspect the status of title to the Property. Promptly after execution hereof, Buyer may obtain at Buyer's expense a title report or title commitment ("**Commitment**") and, at Buyer's election, a UCC lien search for the Property. Buyer may also obtain, at Buyer's sole cost and expense, a current ALTA/ASCM survey of the Property. In the event the Commitment discloses or Buyer becomes aware of any lien on the Property created by Seller that can be discharged or satisfied by the payment of money ("**Monetary Title Matters**"), Seller shall discharge or satisfy such Monetary Title Matters on or prior to the Closing Date. If Seller fails to discharge or satisfy any such Monetary Title Matters as aforesaid, Buyer, at its sole option, and in addition to any other rights and remedies it may have under this Agreement, at law and/or in equity, shall have the right to discharge and satisfy

the same from the proceeds of the Purchase Price to be paid to Seller at closing. Title to the Property shall be subject only to the following matters: (i) the lien of real estate taxes and sewer and water rents not yet due and payable; and (ii) such matters appearing on the Commitment to which Buyer shall fail to object during the Feasibility Period (defined below) (collectively, the "**Permitted Exceptions**"). Title to the Property shall be insurable, together with such title insurance endorsements as Buyer may reasonably request, at regular rates (including applicable rates for such endorsements) from a title insurance company licensed in the State of Maryland and selected by Buyer. In the event Buyer's review of title to the Property reveals any matters that are unacceptable to Buyer in its sole and absolute discretion (other than Monetary Title Matters which Seller is required to remedy as aforesaid), Buyer shall notify Seller thereof within twenty (20) days after the date on which an Ordinance for the Sale of the Property is introduced by the Mayor and City Council (the "Objection Notice"). Within ten (10) days after receipt of the Objection Notice, Seller shall notify Buyer in writing, whether Seller shall undertake to cure such unacceptable exception(s). In the event Seller elects not to cure any unacceptable exception or is unable with the exercise of due diligence to satisfy said objection before the Closing Date, Buyer may, at its option, either (a) accept title subject to the objections raised by Buyer, without an adjustment of the Purchase Price, in which event each of said objections shall be deemed waived for all purposes and considered a Permitted Exception, or (b) terminate this Agreement. If Buyer shall terminate this Agreement, then (i) this Agreement shall be deemed to have terminated as of the date of Buyer's notice without need for any further action by either party, (ii) the Deposit shall be returned to the Buyer and (iii) neither Buyer nor Seller shall have any further obligations to one another hereunder, except for those which expressly survive termination of this Agreement.

7. Representations and Warranties of Seller. Seller hereby makes the following representations and warranties to Buyer, all of which are made as of the Effective Date and shall be true and correct in all material respects on and as of the Closing Date.

7.1 Enforceability: Authorization. This Agreement and the documents, affidavits, certificates and other instruments to be executed and delivered by Seller pursuant hereto are, or will be when executed and delivered by Seller, the legal, valid and binding obligations of Seller and enforceable against Seller in accordance with its terms. Seller has obtained all consents necessary for, and possesses full authority and legal right to authorize Seller's entry into and performance of this Agreement, the documents, affidavits, certificates and other instruments to be executed and delivered by Seller pursuant hereto and/or the transactions contemplated hereby or thereby.

7.2 Ownership of the Property. Seller is the fee simple record and beneficial owner of the Property. No person or entity has an option, right of first refusal or other similar right to acquire all or any portion of the Property. Seller has performed all obligations under and is not in default in complying with the terms and provisions of any covenants, conditions, restrictions, rights-of-way or easements applicable to the Property.

7.3 No Conflicts. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which Seller is a party.

7.4 Third Party Consents. All consents required from any governmental authority or third party in connection with the execution and delivery of this Agreement by Seller or the consummation by Seller of the transactions contemplated hereby have been made or obtained or shall have been made or obtained by the Closing Date.

7.5 Leases. The following leases exist on the Property: None.

7.6 Other Agreements. Seller is not a party to, nor does Seller have knowledge of, any agreements relating to the Property.

7.7 Condemnation, Violation of Laws, Etc. Excepting City Code violations which have been noted but not yet cited, Seller has not received notice of, and, to Seller's knowledge, there are no existing violations of any federal, state, county or municipal laws, ordinances, orders, codes, regulations or requirements affecting all or any portion of the Property, including, without limitation, violations of housing, building, safety, health, environmental, fire or zoning ordinances, codes and regulations of the respective jurisdictions within which the Property is located or any certificate(s) of occupancy issued for the Property.

7.8 No Flood Hazard Area. To Seller's knowledge, no portion of the Real Property is located in an area designated by any governmental entity as a flood hazard area.

7.9 Environmental Condition. Seller makes no representations as to the environmental condition of the Property and no representation as to the presence of any Hazardous Conditions in and around the Property. "Hazardous Conditions" shall mean the presence on, in or about the Property (including ground water) of Hazardous Materials, the concentration, condition, quantity, location or other characteristic of which fails to comply with applicable Environmental Laws. "Hazardous Material" shall mean any chemical, substance, waste, material, equipment or fixture defined as or deemed hazardous, toxic, a pollutant, a contaminant, or otherwise regulated under any Environmental Law, including but not limited to, petroleum and petroleum products, waste oil, halogenated and non-halogenated solvents, PCBs, asbestos and asbestos containing materials.

7.10 Litigation. No proceeding, suit or litigation relating to Seller or the Property or any part thereof is pending or, to Seller's knowledge, threatened in any court or other tribunal or before any Governmental Authority. Seller is not the subject of, nor has Seller received any written notice of or threat that it has or will become the subject of, any actions or proceedings under the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. ("Bankruptcy Code"), or under any other federal, state or local laws affecting the rights of debtors and/or creditors generally, whether voluntary or involuntary and including, without limitation, proceedings to set aside or avoid any transfer of any interest in property or obligations, whether denominated as a fraudulent conveyance, preferential transfer or otherwise, or to recover the value thereof or to charge, encumber or impose a lien thereon.

7.11 FIRPTA. Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "**Code**"), and the sale of the Property is not subject to the federal income tax withholding requirements of such section of the Code.

7.12 Mechanic's Liens. There are no claims for labor performed, materials furnished or services rendered in connection with the development, construction, improvement, renovation or repair of the Property with respect to which liens may or could be filed against the Property, either pending or threatened.

7.13 Tax Matters. No federal or other taxing authority (each, a "**Taxing Authority**" and collectively, the "**Taxing Authorities**") has asserted in writing any tax deficiency, lien, interest or penalty against Seller or the Property that has not been paid, and there is no pending audit or inquiry from any Taxing Authority relating to Seller or the Property, and to Seller's knowledge, no event has occurred and no condition or circumstance exists which presents a material risk that any tax deficiency, lien, interest, penalty or other assessment will be imposed against Seller or the Property.

7.14 Re-Zoning. Seller is not a party to, nor does Seller have any actual knowledge of, any threatened proceeding for the rezoning of the Property or any portion thereof, or the taking of any other action by governmental authorities that would have an adverse or material impact on the value of the Property or use thereof.

7.15 Condemnation. Seller has not received any written notice advising it of any pending or threatened condemnation or other governmental taking proceedings affecting all or any part of the Property and knows of no plans on the part of the Seller to institute any such proceeding.

7.16 Seller is in the process of granting an access easement to benefit the property immediately to the south and which is owned by Buyer. Buyer is aware of said easement and has no objection to same being imposed upon the property.

7.17 Except as otherwise provided herein Seller is making no warranties as to the condition of the property and the property is being sold "AS IS."

8. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller that: (i) Buyer is Augustine M. Boyce, is an individual resident of the Commonwealth of Virginia; (ii) this Agreement and the documents, affidavits, certificates and other instruments to be executed and delivered by Buyer pursuant hereto are, or will be when executed and delivered by Buyer, legally binding on, and enforceable against, Buyer in accordance with their respective terms except as the same may be limited by applicable bankruptcy, insolvency, reorganization, receivership and other similar laws affecting the rights and remedies of creditors generally and by general principles of equity (whether applied by a court of law or equity); and (iii) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which Buyer is a party.

9. Seller Covenants.

9.1 Inspection. Seller shall make available to Buyer during normal business hours prior to the Closing Date all information in Seller's or its management agent's

possession or control concerning the Property, including, without limitation, all books and records and plans and specifications.

9.2 Operation and Maintenance. Seller agrees that from the date of this Agreement to the Closing Date, Seller will, at its sole cost and expense: (i) maintain the Property in its current condition (ii) comply with and perform all material provisions and obligations to be complied with and/or performed by Seller under each Contract; (iii) not mortgage or otherwise encumber all or any part of the Property; and (iv) maintain in full force and effect its current all-risk casualty insurance policy for the Property.

9.3 Contracts. Seller shall not enter into any Contracts of any kind with respect to the Property or any portion thereof, except as mutually agreed.

9.4 Leases. Seller shall not enter into any leases or other occupancy agreements of any kind with respect to the Property or any portion thereof.

9.5 Correspondence. Promptly upon receipt, Seller shall provide Buyer with copies of any notices (including all written notices and summaries, including requests for rental concessions), and sales reports and correspondence received from tenants, neighboring property owners, any insurance company which carries insurance on the Property or Board of Fire Underwriters, from any Governmental Authorities or from any other person or entity with respect to the Property or any portion thereof.

9.6 Title and Encumbrances. Seller hereby agrees that, after the date of this Agreement, it shall not take any action affecting title to the Property or encumbering the Property (except for actions effectuating the release of liens or encumbrances in accordance with the terms of this Agreement) unless consented to by Buyer, which consent may be withheld in Buyer's sole and absolute discretion. In all events, Seller will cause to be removed, paid off, released and/or discharged at closing any mortgage, judgment, deed of trust, lien or other evidence of a monetary charge against the Property and any lien or other encumbrance affecting title to the Property and arising subsequent to the date of the Commitment referred to above.

9.7 Real Estate Tax Assessments. Prior to the Closing Date, Seller shall not institute any proceeding or application for a reduction in the real estate tax assessment of the Real Property for any tax year without the prior written consent of Buyer, which consent may be withheld in Buyer's sole and absolute discretion.

9.8 Payment of Taxes. Subject to proration in Paragraph 5, Seller shall pay all federal, state, county, local and foreign income, excise, real and personal property, sales and other taxes, if any, which first become due and payable prior to or on the Closing Date.

9.9 Claims. Seller hereby agrees to cooperate with Buyer in connection with the pursuit of any claims resulting from or based on an event that occurred prior to closing that are covered under the casualty or liability insurance policies for the Property that were in effect prior to closing to assist Buyer in filing a claim under such insurance policies, including, but not limited to executing any assignment of such policy or proceeds to Buyer.

The obligations of Seller under this Section shall survive closing for a period of three (3) years.

10. Buyer Covenants. RESERVED

11. Conditions Precedent to Buyer's Obligation to Purchase. The obligation of Buyer to acquire the Property and to perform the other covenants and obligations to be performed by it on the Closing Date shall be subject to the following conditions precedent (which conditions precedent shall inure solely to the benefit of Buyer and no other person or entity, including, without limitation, Seller, shall have any right to waive or defer any of such conditions in whole or in part):

(i) Seller shall have performed in all material respects its covenants and obligations required by this Agreement to be performed or complied with by it on or before the Closing Date.

(ii) All of Seller's representations and warranties in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of such date and Seller shall have executed and delivered to Buyer, upon written Request by Buyer, a certificate, dated as of the Closing Date, to the foregoing effect.

(iii) Delivery of possession of the Property to Buyer at Closing, which shall be in substantially the same condition it is in on the date of this Agreement, subject to casualty and/or condemnation and the provisions of this Agreement relating thereto. The property shall be in broom-clean condition at Closing.

(iv) Title to the Property on the Closing Date shall be in accordance with Section 6, above.

12. Condemnation and Casualty. If prior to the Closing Date Seller receives written notice of any pending or threatened condemnation proceedings or actions or if there occurs any damage, destruction or casualty with respect to all or any portion of the Property, Seller shall promptly notify Buyer thereof in writing. In the event there occurs: (i) any actual or pending condemnation of any portion of the Property; or (ii) any casualty, Buyer shall have the right to terminate this Agreement by giving notice to Seller within thirty (30) days after receipt of Seller's notice advising Buyer of the occurrence of any casualty or condemnation. If: (i) Buyer fails to notify Seller of Buyer's election to terminate this Agreement within such 30-day period; or (ii) Buyer elects to proceed to closing and not terminate this Agreement, then Buyer shall proceed to closing, without adjustment of the Purchase Price, subject to such condemnation or casualty, in which event at closing, Seller shall, as applicable: (A) assign to Buyer any condemnation award or rights thereto paid or payable or otherwise accruing to Seller on account of such condemnation; or (B) assign to Buyer all of Seller's right, title and interest in and to the proceeds of any casualty insurance payable to Seller on account of such casualty and pay to Buyer an amount equal to any deductible or coinsurance applicable to the casualty insurance under such insurance policies. If Buyer timely elects to terminate this Agreement as aforesaid, the Deposit shall be returned to

the Buyer and neither Buyer nor Seller shall have any further rights or liability under this Agreement except for such rights and liabilities as expressly survive termination hereof.

13. Breach/Termination.

13.1 Breach by Seller. If Seller shall fail to perform its covenants or agreements hereunder and such failure shall continue for five (5) days after written notice from Buyer, or if any of Seller's representations and warranties set forth in this Agreement are not true and correct in all material respects on the date hereof or on the Closing Date, Buyer shall have the right, at its sole option, to: (i) terminate this Agreement with neither party having any further rights or obligations to the other under this Agreement except for (a) return of the Deposit to the Buyer and (b) such rights and obligations as expressly survive termination of this Agreement; or (ii) pursue any legal or equitable remedies to which Buyer may be entitled on account of the foregoing, including, without limitation, specific performance and recovery of actual third party costs and expenses incurred by Buyer with respect to this Agreement.

13.2 Breach by Buyer. If Buyer shall fail to perform any of the covenants or agreements to be performed by it hereunder and such failure shall continue for five (5) days after written notice from Seller (except there shall be no notice requirement for a failure to terminate this Agreement prior to the expiration of the Feasibility Period), or if any of Buyer's representations and warranties set forth herein shall not be true and correct in all material respects as of the date made or deemed made, Seller's remedy, at its option, shall be to: (i) terminate this Agreement with neither party having any further rights or obligations to the other under this Agreement except such rights and obligations as expressly survive termination of this Agreement; and also retain the Buyer's deposit described in Paragraph 3.1; or (ii) pursue any legal or equitable remedies to which Seller may be entitled on account of the foregoing, including, without limitation, recovery of consequential damages and actual third party costs and expenses incurred by Seller with respect to this Agreement.

13.3 Litigation Costs. In the event of any litigation between the parties with respect to this Agreement, including any action for specific performance that may be brought by Buyer as provided above, the prevailing party shall be entitled to recover reasonable attorney's fees and expenses.

14. Brokers. Each party hereto represents and warrants to the other that it has dealt with no brokers or finders in connection with this transaction. Each of the parties hereto hereby represents and warrants that neither has authorized any real estate broker, agent or finder to act on its/their behalf in connection with the transaction contemplated by this Agreement, nor does it have any knowledge of any other broker, agent or finder purporting to act on its behalf in respect to this Agreement and the sale of the Property to be made pursuant hereto, and that the other party hereto shall have no liability to any broker for compensation, commission or otherwise. Each party agrees that it shall indemnify, defend and save the other harmless from and against any cost, expense, claim, loss, liability or damages, including reasonable attorneys' fees, and court costs, resulting from a breach of the foregoing representation and warranty by such party. The provisions of this Section shall survive closing or termination of this Agreement.

15. Entire Agreement/Modification. This Agreement, including any exhibits attached hereto, and the Closing Documents contain the entire agreement between the parties relating to the conveyance of the Property, all prior negotiations between the parties are merged into this Agreement and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them other than as set forth in this Agreement, including the exhibits attached hereto, and the Closing Documents. No change or modification of this Agreement or any of the Closing Documents shall be valid unless the same is in writing and signed by each of the parties hereto or thereto. No waiver of any of the provisions of this Agreement or any of the Closing Documents executed or to be executed in connection herewith shall be valid unless in writing and signed by the party against whom it is sought to be enforced.

16. Miscellaneous.

16.1 Binding Effect. This Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the respective personal representatives, successors and permitted assigns of the parties hereto.

16.2 Governing Law: Venue. The provisions of this Agreement shall be governed by the laws of the state of Maryland, without regard to the conflicts of laws provisions thereof. Any suit involving any dispute or matter arising under this Agreement may only be brought to the Circuit Court for Washington County, Maryland. All parties hereto consent to such jurisdiction.

16.3 Notices. Any notice, demand, consent/election, offer, approval, request, or other communication (collectively a "notice") required or permitted under this Agreement must be in writing and delivered (i) personally, or (ii) sent by certified or registered mail, postage prepaid, return receipt requested, or (iii) by a nationally recognized overnight courier. A notice must be addressed to a party as indicated below. Any notice hereunder shall be deemed duly delivered (a) when delivered, with written receipt, if personally delivered or delivered by nationally recognized overnight courier, or (b) three (3) days after mailing, if mailed by certified mail, return receipt requested, postage prepaid. Any party may designate a change of address by written notice to the other in accordance with the provisions set forth above, which notice shall be given at least ten (10) days before such change of address is to become effective.

Seller's notice address:

Scott Nicewarner
City Administrator
City of Hagerstown
1 E. Franklin Street
Hagerstown, MD 21740

With a copy to:

Jason Morton
Salvatore & Morton, LLC
82 West Washington St
Ste 100
Hagerstown, MD 21740

Buyer's notice address:
Augustine M. Boyce
229-231 N Locust Street
Hagerstown, MD 21740

With a copy to:
Christopher Joliet, Esquire
223 North Prospect Street
Hagerstown, Maryland 21740

16.4 Incorporation. Each and all of the exhibits and schedules attached hereto are hereby incorporated into this Agreement by reference.

16.5 Further Assurances. Seller agrees that it will, at any time and from time to time after the Closing Date, upon reasonable request of Buyer, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required for the better assigning, transferring, granting, assuring and confirming to Buyer, or to its successors and assigns of, or for aiding and assisting in collecting and reducing to possession, any or all of the assets or property being transferred to Buyer pursuant to this Agreement; provided, however, that any instruments to be executed by Seller shall be in form and substance reasonably acceptable to Seller and in no event shall Seller be required to incur any liability or obligation in addition to that which it is obligated to incur under this Agreement. The provisions of this Section shall survive the closing of the transactions contemplated by this Agreement.

16.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument; provided, however, in no event shall this Agreement be effective unless and until signed by all parties hereto. Fax or email copies of this Agreement shall be sufficient for all purposes.

17. Risk of Loss. Risk of loss or damage from fire or other casualty until recordation of the deed conveying the Property to Buyer is assumed by Seller.

18. Rules of Construction. Section captions used in this Agreement are for convenience only and shall not affect the construction of the Agreement. All references to "Sections", without reference to a document other than this Agreement are intended to designate articles and sections of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, unless specifically designated otherwise. The use of the term "including" shall mean in all cases "including but not limited to," unless specifically designated otherwise. No rules of construction against the drafter of this Agreement shall apply in any interpretation or

enforcement of this Agreement, any documents or certificates executed pursuant hereto, or any provisions of any of the foregoing.

19. Computation of Time. In computing any period of time pursuant to this Agreement, the day of the act or event from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday or legal holiday in Maryland, in which event the period runs until the end of the next day which is not a Saturday, Sunday or such legal holiday.

20. Time of the Essence. **Time shall be of the essence under this Agreement.**

21. No Third Party Beneficiaries. None of the rights or obligations provided hereunder shall inure to the benefit of any third party.

22. Waiver of Trial by Jury. THE PARTIES HERETO HEREBY AGREE TO WAIVE ANY RIGHTS THEY MIGHT OTHERWISE HAVE TO A TRIAL BY JURY UNDER ANY PROVISION OF ANY APPLICABLE LAW.

23. Assignment. Buyer may not assign the Agreement, or any part hereof, without the express written consent of Seller, in its sole and absolute discretion. The foregoing notwithstanding, the Buyer may assign this Agreement to a new or affiliated entity, the principals of which are identified and are identical to the principals of the Buyer.

23. Approvals. Any approvals required under the provisions of this Agreement by City shall be as duly authorized by the Mayor and Council as its duly constituted legislative body.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

ATTEST:

SELLER:

CITY OF HAGERSTOWN
A Maryland municipal corporation

Name:

By: _____
Emily N. Keller
Mayor

WITNESS:

BUYER

Augustine M. Boyce

ADDENDUM #1 TO PURCHASE AGREEMENT

NOTICE TO PURCHASER OF PURCHASER'S RIGHTS UNDER MARYLAND'S PROPERTY DISCLOSURE LAW

SECTION 10-702 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND ("SECTION 10-702") REQUIRES THAT SELLERS OF SINGLE FAMILY RESIDENTIAL PROPERTY PROVIDE YOU, THE PURCHASER, ON OR BEFORE ENTERING INTO A CONTRACT OF SALE EITHER:

(A) A written property conditions "Disclosure Statement" listing all defects or information of which the Seller has actual knowledge in relation to the following:

1) Water and Sewer systems, including the source of household water, water treatment systems, and sprinkler systems; 2) Insulation; 3) Structural systems, including the roof, walls, floors, foundation, and any basement; 4) Plumbing, electrical, heating, and air conditions systems; 5) Infestation of wood-destroying insects; 6) Land use matters; 7) Hazardous or regulated materials, including asbestos, lead-based paint, radon, underground storage tanks, and licensed landfills; and 8) Any other material defects known to the seller; or

(B) A written "Disclaimer Statement" providing that: 1) The Seller makes no representations or warranties as to the condition of the real property or any improvements on the real property; and 2) the purchaser will be receiving the real property "as is", with all defects that may exist, except as otherwise provided in the contract of sale.

At the time the Disclosure or Disclaimer Statement is delivered to you, you are required to date and sign a written acknowledgement of receipt, which shall be included in or attached to the contract of sale.

You are hereby notified that, in certain circumstances, you have the right to rescind your contract of sale with the Seller, if the Seller fails to deliver to you the written "Property Condition Disclosure Statement". Section 10-702 provides that a purchaser who does not receive the "Disclosure Statement" on or before entering into the contract of sale has the unconditional right, upon written notice to the Seller or Seller's agent; 1) to rescind the contract of sale at any time before the receipt of the "Disclosure Statement" or within 5 days following receipt of the "Disclosure Statement", and 2) to the immediate return of any deposits made on account of the contract of sale.

If the "Disclosure Statement" is delivered to you later than 3 days after the Seller enters into a contract of sale with you, the contract of sale is void. Your right to rescind the contract of sale under Section 10-702 terminates if not exercised before making written application to lender for a mortgage loan, if the lender discloses in writing at or before the time application is made that the right to rescind terminates on submission of the application.

Your rights as a purchaser under Section 10-702 may not be waived in the contract of sale, and any attempted waiver is void. Your rights as the purchaser to terminate the contract of sale under Section 10-702 are waived conclusively if not exercised before; 10 closing or

occupancy by you, whichever occurs first, in the event of a sale; or 2) occupancy, in the event of a lease with option to purchase.

The information contained in the "Property Condition Disclosure Statement" is the representation of the Seller and not the representation of the real estate broker or salesperson, if any. The Seller is not required to undertake or provide an independent investigation or inspection of the real property in order to make the disclosures required by Section 10-702. The Seller is not liable for any error, inaccuracy, or omission in the "Disclosure Statement" if the error, inaccuracy or omission was based upon information that was not within the actual knowledge of the Seller, or was provided to the Seller by a third party.

You have the right to obtain professional advice about the real property or to obtain an independent inspection of the property by a certified or licensed inspection, and any disclosure or disclaimer is not a substitute for the same.

The undersigned purchaser(s) acknowledges receipt of this notice on the date indicated below and acknowledges that the real estate licensee named below has informed the purchaser of the purchaser's rights and obligations under section 10-702.

The above is to be considered part of the contract and of equal force and effect as all other terms and conditions which otherwise remain the same.

Date: _____

WITNESS:

BUYER

Augustine M. Boyce

DISCLAIMER STATEMENT

The Seller hereby represents that the Seller makes no representations or warranties as to the condition of the real property or any improvements on the real property and the purchaser will be receiving the real property "as is", with all defects that may exist, except as otherwise provided in the contract of sale.

ATTEST:

SELLER:

CITY OF HAGERSTOWN
A Maryland municipal corporation

Name:

By: _____
Emily N. Keller
Mayor

The Buyer hereby acknowledges receipt of the Disclaimer Statement herein on the day of _____, 2023.

WITNESS:

BUYER

Augustine M. Boyce

ADDENDUM #2 TO PURCHASE AGREEMENT

LEAD-BASED PAINT DISCLOSURE

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement:

Every Buyer of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interesting residential real property is required to provide the Buyer with any information on lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the Buyer of any known lead-based paint hazards. A risk assessment or inspections for possible lead-based paint hazards is recommended prior to occupancy of the rental property.

Seller's Disclosure (initial)

_____ (a.) Presence of lead-based paint and/or lead-based hazards (check one below):

(☒) Known lead-based paint and/or lead based paint hazards are present in the housing (explain).

Structure was constructed prior to 1978 and it is likely that lead based paint was used in building components at that time.

(☐) Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b.) Records and reports available to the Seller (check one below):

(☐) Seller has provided the Buyer with all available records and reports pertaining to lead-based paint and/or lead based paint hazards in the housing (list documents below).

(☒) Seller has no reports or records pertaining to lead-based paint and/or lead-based hazards in the housing.

Buyer's acknowledgement (initial)

_____ (c.) Buyer has received copies of all information listed above.

_____ (d.) Buyer has received the pamphlet *Protect Your Family From Lead in Your Home*

N/A__ (e.) Buyer has received a copy of the lead inspection certificate from Seller.

_____ (f.) Buyer has received a copy of the Maryland Lead Poisoning Prevention Program Disclosure/Department of Environment publication from Seller, as required by Annotated Code of Maryland, Environment Section 6-820.

Certification of Accuracy

By signing this Addendum #2, the parties agree that they have reviewed the information above and certify; to the best of their knowledge, that the information provided by the signatory is true and accurate.

ATTEST:

SELLER:

CITY OF HAGERSTOWN
A Maryland municipal corporation

Name:

By: _____
Emily N. Keller
Mayor

WITNESS:

BUYER

Augustine M. Boyce



Protect Your Family From Lead in Your Home



United States
Environmental
Protection Agency



United States
Consumer Product
Safety Commission



United States
Department of Housing
and Urban Development

Are You Planning to Buy or Rent a Home Built Before 1978?

Did you know that many homes built before 1978 have **lead-based paint**? Lead from paint, chips, and dust can pose serious health hazards.

Read this entire brochure to learn:

- How lead gets into the body
- How lead affects health
- What you can do to protect your family
- Where to go for more information

Before renting or buying a pre-1978 home or apartment, federal law requires:

- Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
- Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
- Landlords must disclose known information on lead-based paint or lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right*, to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).



Simple Steps to Protect Your Family from Lead Hazards

If you think your home has lead-based paint:

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified inspector or risk assessor at [epa.gov/lead](https://www.epa.gov/lead).
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills, and other surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.
- Before buying, renting, or renovating your home, have it checked for lead-based paint.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods high in iron, calcium, and vitamin C.
- Remove shoes or wipe soil off shoes before entering your house.

Lead Gets into the Body in Many Ways

Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).
- Swallow lead dust that has settled on food, food preparation surfaces, and other places.
- Eat paint chips or soil that contains lead.

Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



Women of childbearing age should know that lead is dangerous to a developing fetus.

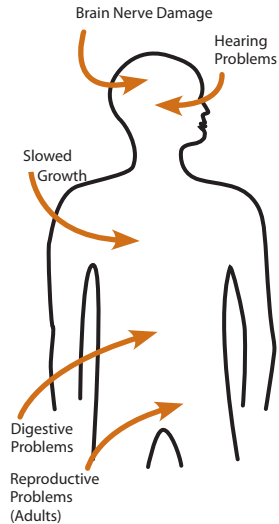
- Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.

Health Effects of Lead

Lead affects the body in many ways. It is important to know that even exposure to low levels of lead can severely harm children.

In children, exposure to lead can cause:

- Nervous system and kidney damage
- Learning disabilities, attention-deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage



While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness, and in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

In adults, exposure to lead can cause:

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

Check Your Family for Lead

Get your children and home tested if you think your home has lead.

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

Your doctor can explain what the test results mean and if more testing will be needed.

Where Lead-Based Paint Is Found

In general, the older your home or childcare facility, the more likely it has lead-based paint.¹

Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint. In 1978, the federal government banned consumer uses of lead-containing paint.²

Learn how to determine if paint is lead-based paint on page 7.

Lead can be found:

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at [epa.gov/lead](https://www.epa.gov/lead).

¹ “Lead-based paint” is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm²), or more than 0.5% by weight.

² “Lead-containing paint” is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.

Identifying Lead-Based Paint and Lead-Based Paint Hazards

Deteriorated lead-based paint (peeling, chipping, chalking, cracking, or damaged paint) is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

Lead-based paint is usually not a hazard if it is in good condition and if it is not on an impact or friction surface like a window.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 10 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) and higher for floors, including carpeted floors
- 100 $\mu\text{g}/\text{ft}^2$ and higher for interior window sills

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.

Checking Your Home for Lead

You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
 - Portable x-ray fluorescence (XRF) machine
 - Lab tests of paint samples
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
 - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
 - Sample dust near painted surfaces and sample bare soil in the yard
 - Get lab tests of paint, dust, and soil samples
- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.



Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.

Checking Your Home for Lead, continued

In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor
- Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)
- Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit epa.gov/lead, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.³

³ Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

What You Can Do Now to Protect Your Family

If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children eat nutritious, low-fat meals high in iron, and calcium, such as spinach and dairy products. Children with good diets absorb less lead.

Reducing Lead Hazards

Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.
- You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead-safe work practices in your home.
- To remove lead hazards permanently, you should hire a certified lead abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.



Always use a certified contractor who is trained to address lead hazards safely.

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.
- To correct lead hazards permanently, hire a certified lead abatement contractor. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Reducing Lead Hazards, continued

If your home has had lead abatement work done or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 10 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors
- 100 $\mu\text{g}/\text{ft}^2$ for interior windows sills
- 400 $\mu\text{g}/\text{ft}^2$ for window troughs

Abatements are designed to permanently eliminate lead-based paint hazards. However, lead dust can be reintroduced into an abated area.

- Use a HEPA vacuum on all furniture and other items returned to the area, to reduce the potential for reintroducing lead dust.
- Regularly clean floors, window sills, troughs, and other hard surfaces with a damp cloth or sponge and a general all-purpose cleaner.

Please see page 9 for more information on steps you can take to protect your home after the abatement. For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 15 and 16), [epa.gov/lead](https://www.epa.gov/lead), or call 1-800-424-LEAD.

Renovating, Repairing or Painting a Home with Lead-Based Paint

If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*



RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
 - Open-flame burning or torching
 - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment
 - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.
- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects, visit epa.gov/getleadsafe, or read *The Lead-Safe Certified Guide to Renovate Right*.

Other Sources of Lead

Lead in Drinking Water

The most common sources of lead in drinking water are lead pipes, faucets, and fixtures.

Lead pipes are more likely to be found in older cities and homes built before 1986.

You can't smell or taste lead in drinking water.

To find out for certain if you have lead in drinking water, have your water tested.

Remember older homes with a private well can also have plumbing materials that contain lead.

Important Steps You Can Take to Reduce Lead in Drinking Water

- Use only cold water for drinking, cooking and making baby formula. Remember, boiling water does not remove lead from water.
- Before drinking, flush your home's pipes by running the tap, taking a shower, doing laundry, or doing a load of dishes.
- Regularly clean your faucet's screen (also known as an aerator).
- If you use a filter certified to remove lead, don't forget to read the directions to learn when to change the cartridge. Using a filter after it has expired can make it less effective at removing lead.

Contact your water company to determine if the pipe that connects your home to the water main (called a service line) is made from lead. Your area's water company can also provide information about the lead levels in your system's drinking water.

For more information about lead in drinking water, please contact EPA's Safe Drinking Water Hotline at 1-800-426-4791. If you have other questions about lead poisoning prevention, call 1-800 424-LEAD.*

Call your local health department or water company to find out about testing your water, or visit [epa.gov/safewater](https://www.epa.gov/safewater) for EPA's lead in drinking water information. Some states or utilities offer programs to pay for water testing for residents. Contact your state or local water company to learn more.

* Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

Other Sources of Lead, continued

- **Lead smelters** or other industries that release lead into the air.
- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.
- Old **toys** and **furniture** may have been painted with lead-containing paint. Older toys and other children's products may have parts that contain lead.⁴
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Folk remedies, such as "**greta**" and "**azarcon**," used to treat an upset stomach.

⁴ In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint. In 2008, the federal government banned lead in most children's products. The federal government currently bans lead in excess of 100 ppm by weight in most children's products.

For More Information

The National Lead Information Center

Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at epa.gov/lead and hud.gov/lead, or call **1-800-424-LEAD (5323)**.

EPA's Safe Drinking Water Hotline

For information about lead in drinking water, call **1-800-426-4791**, or visit epa.gov/safewater for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline

For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call **1-800-638-2772**, or visit CPSC's website at cpsc.gov or saferproducts.gov.

State and Local Health and Environmental Agencies

Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at epa.gov/lead, or contact the National Lead Information Center at **1-800-424-LEAD**.

Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at **1-800-877-8339**.

U. S. Environmental Protection Agency (EPA) Regional Offices

The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
5 Post Office Square, Suite 100, OES 05-4
Boston, MA 02109-3912
(888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 205, Mail Stop 225
Edison, NJ 08837-3679
(732) 906-6809

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3
1650 Arch Street
Philadelphia, PA 19103
(215) 814-2088

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
AFC Tower, 12th Floor, Air, Pesticides & Toxics
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (LL-17J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 353-3808

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-2704

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
11201 Renner Blvd.
Lenexa, KS 66219
(800) 223-0425

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
1595 Wynkoop St.
Denver, CO 80202
(303) 312-6966

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. EPA Region 9 (CMD-4-2)
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4280

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10 (20-C04)
Air and Toxics Enforcement Section
1200 Sixth Avenue, Suite 155
Seattle, WA 98101
(206) 553-1200

Consumer Product Safety Commission (CPSC)

The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

CPSC

4330 East West Highway
Bethesda, MD 20814-4421
1-800-638-2772
cpsc.gov or saferproducts.gov

U. S. Department of Housing and Urban Development (HUD)

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact to Office of Lead Hazard Control and Healthy Homes for further information regarding the Lead Safe Housing Rule, which protects families in pre-1978 assisted housing, and for the lead hazard control and research grant programs.

HUD

451 Seventh Street, SW, Room 8236
Washington, DC 20410-3000
(202) 402-7698
hud.gov/lead

This document is in the public domain. It may be produced by an individual or organization without permission. Information provided in this booklet is based upon current scientific and technical understanding of the issues presented and is reflective of the jurisdictional boundaries established by the statutes governing the co-authoring agencies. Following the advice given will not necessarily provide complete protection in all situations or against all health hazards that can be caused by lead exposure.

IMPORTANT!

Lead From Paint, Dust, and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly

- Children under 6 years old are most at risk for lead poisoning in your home.
- Lead exposure can harm young children and babies even before they are born.
- Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).