

Mayor and Council

Work Session

October 7, 2025

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"

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

"Autumn shows us how beautiful it is to let things go." Author Unknown

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.

3:00 PM 2. EXECUTIVE SESSION – Council Chamber, 2nd floor, City Hall

4:00 PM WORK SESSION

4:00 PM 1. Proclamation: Fire Prevention Month – Chief John DiBacco and Deputy Chief Adam Hopkins

4:05 PM 2. Community Coalition Support and Funding Request – Paul Frey, CEO/President Washington County Chamber of Commerce and Jim Kercheval, Executive Director – Greater Hagerstown Committee

4:15 PM 3. Purchase of Easement Along Antietam Creek - Antietam Creek Waterway Access Trail - Eric Deike, Director of Public Works

4:30 PM 4. Program Open Space, Easement Purchase, Antietam Creek Waterway Trail - Creek Access - Eric Deike, Director of Public Works

4:35 PM 5. Reallocation of Community Development Block Grant (CDBG) FY2026 Funds - Margi Joe, Community Development Manager

4:45 PM 6. Community Development Block Grant (CDBG) FY2026 Subrecipient Agreements - Margi Joe, Community Development Manager and Rachel Paul, Planning and Outreach Coordinator

4:55 PM 7. Review of Code Amendments – Chapter 79, Curfew – Chief Paul “Joey” Kifer

5:05 PM 8. Environmental Design of Various ‘Hot Spots’ – Mayor and City Council Discussion

5:20 PM 9. “Business Watch” Program – Mayor and City Council Discussion

5:30 PM 10. Establishing of First-Time Business Owner Forum – Mayor and City Council Discussion

5:40 PM 11. Trick-or-Treat - Scott Nicewarner, City Administrator

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:

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

Topic:

EXECUTIVE SESSION – Council Chamber, 2nd floor, City Hall

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

September_23__2025_Executive_Session_Agenda.pdf

Description

Executive Session Agenda



**MAYOR AND CITY COUNCIL
EXECUTIVE SESSION
SEPTEMBER 23, 2025
AGENDA**

Vision Statement:

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

Mission Statement:

“The City of Hagerstown shall be a community focused municipality.”

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

3:45 p.m. EXECUTIVE SESSION

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; (#1)

**Board of Traffic and Parking Membership*

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

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

CITY OF HAGERSTOWN, MARYLAND

PUBLIC BODY: Mayor & City Council

DATE: September 23, 2025

PLACE: Council Chamber, 2nd floor, City Hall

TIME: 3:45 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

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

Topic:

Proclamation: Fire Prevention Month – *Chief John DiBacco and Deputy Chief Adam Hopkins*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

Community Coalition Support and Funding Request – Paul Frey, CEO/President Washington County Chamber of Commerce and Jim Kercheval, Executive Director – Greater Hagerstown Committee

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Memo_-_Community_Coalition_October_2025.pdf

Description

Memo: Community Coalition



CITY OF HAGERSTOWN, MARYLAND

Donna Spickler

City Clerk

One East Franklin Street • Hagerstown, MD 21740

E-mail: dspickler@hagerstownmd.org

Telephone: 301.766.4183 • TDD: 301.797.6617 • Website: www.hagerstownmd.org

TO: Mayor and City Council Members
Scott Nicewarner, City Administrator

FROM: Donna K. Spickler, City Clerk

SUBJECT: Community Coalition Legislative Priorities

DATE: October 7, 2025

Paul Frey, CEO/President of the Washington County Chamber of Commerce, and Jim Kercheval, Executive Director of Greater Hagerstown Committee, will be present during the October 7, 2025 Work Session to discuss the Coalition's 2026 Draft Legislative Priorities.

The Coalition is also inviting the City of Hagerstown to participate in their lobbying efforts again this year.

Please let me know if you have any questions.

Thank you.



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

Topic:

Purchase of Easement Along Antietam Creek - Antietam Creek Waterway Access Trail - *Eric Deike, Director of Public Works*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Description

Purchase_of_Easement_Along_Antietam_Creek_Antietam_Creek_Waterway_Access_Trail_Council_Packet.pdf	Purchase of Easement Along Antietam Creek - Antietam Creek Waterway Access Trail
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CITY OF HAGERSTOWN, MARYLAND

Public Works Department

www.hagerstownmd.org

TO: Scott Nicewarner, City Administrator

FROM: Eric B. Deike, Director of Public Works

DATE: September 25, 2025

SUBJECT: Purchase of Easement Along Antietam Creek
Antietam Creek Waterway Access Trail

MAYOR AND COUNCIL ACTION REQUESTED

Staff is looking for approval from the Mayor and Council to purchase an easement along the east bank of the Antietam Creek for the purpose of the construction of a recreational boat access trail (portage). This portage will allow recreational boaters to move their vessels around the existing weir.

DISCUSSION

The City has already approved and funded a project to construct a portage along the Antietam Creek off of Mt. Aetna Road. The Antietam Creek Waterway Access Trail - Phase I is to build a small parking lot on the upstream side of the weir along with an ADA accessible ramp built of asphalt. Phase II is to continue this paved walkway under the Mt. Aetna Road bridge and around the weir that once provided water to the now defunct and demolished City Light Plant. The walkway would lead to the downstream side of the weir allowing boaters access downstream or upstream around the weir.

The original plans called for the portage to be built on City property only. During the final design phase, it was determined that the actual walkway would be difficult to fit within the space provided on City property that encompasses the private property at the weir. The design would also require an awkward 90 degree turn. The portage can be significantly improved by designing it to go onto private property.

The property on the east side of the stream is part of a larger parcel of ground that is privately owned by Sergey Pivovar Revocable Living Trust. Primary owner is Sergey Pivovar. The land was once the City Light Plant that generated electricity for the City. The main light plant was eventually demolished in 2018 and the land where the building sat was capped. All this work took place on the west side of Antietam Creek. There are some existing structures that were part of the light plant including the weir that crosses the creek. The weir raised the water level for use by the plant.

The portage can be significantly improved by building on the private property. It was originally discussed to purchase a portion of the east side of the property. However, purchasing the

Public Works Department
51 West Memorial Blvd.
Hagerstown, MD 21740
Ph: 301.739.8577 Ext. 178

Parks and Recreation Division
351 North Cleveland Ave.
Hagerstown, MD 21740
Ext. 169

Parking Division
1 E. Franklin St.
Hagerstown, MD 21740
Ext. 479



CITY OF HAGERSTOWN, MARYLAND

Public Works Department

www.hagerstownmd.org

property would not provide for an optimal situation. Staff decided the better option would be to purchase an easement. The easement will allow access and construction but greatly reduce any future responsibility for the weir.

Staff met with Mr. Pivovar and his son to discuss purchasing the easement. We settled on an amount of \$20,000 for the easement. Mr. Pivovar understands this requires Mayor and Council approval.

There are some challenges to this purchase. First, the funding for the Antietam Creek Waterway Trail – Creek Access is partially funded by Program Open Space (POS). POS is a program through the Maryland Department of Natural Resources. There are, of course, restrictions to the funding. DNR staff has confirmed that the POS grant funding is permissible if the easement is perpetual. The appropriate language has been added to the purchase agreement to the satisfaction of DNR.

The second stipulation from DNR is that any MDE covenants that exist or may come to exist then “the project must be able to comply with the MDE requirements, etc.” There are no MDE covenants on the property at 703 – 705 Mt. Aetna Road.

The third concern has to do with any possible contaminants in the soil. The east side of this property is separated by Antietam Creek from the west side of the property where the City Light Plant once sat and operated. No construction (other than the weir) or operations appear to have occurred on the east side of the property.

To be thorough, the City hired Triad Engineering, Inc. to conduct a soils test of the private property on the east side. Permission was received from Sergey to enter his property to obtain samples. Triad concluded the following: “The analytical results for the four soil samples indicate the presence of Arsenic at concentrations greater than MDE Non-Residential Soil Standards at all four soil bearings. However, these concentrations are consistent with naturally occurring levels” and that “...according to prior discussions with the MDE’s Land Restoration Program (LRP) Toxicologist, Total Arsenic at this concentration, while in exceedance of the standard, is not anticipated to pose an unacceptable incremental risk to site occupants.”

FINANCIAL IMPACT

The funding for this purchase would be from Fund Balance Reserves. The estimated cost of the purchase is \$30,100. This includes \$20,000 for the easement plus an additional \$10,100 for appraisals, easement preparations, and legal fees.

These costs can potentially be offset with funding through the Maryland Department of Natural Resources, Program Open Space, Acquisition Grant (POS). Staff applied for a such a grant in

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CITY OF HAGERSTOWN, MARYLAND

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June of 2026 as part of the Fiscal Year 2025 POS program at the urging of Washington County Government.

A memorandum detailing the POS grant request will be presented to Council. Council approval is required to apply for such grants.

RECOMMENDATION

Staff recommends purchase of this easement to improve the design and construction of the Antietam Creek Waterway Trail – Creek Access (Phase II). Funding is available through the City and from the State through POS. Designs are about 95% complete with plans to begin construction in 2026.

Att: Overview of Site, Antietam Creek Water Trail Map, Proposed Portage Dwg.
Motion, Ordinance, Property Acquisition Agreement with Exhibits

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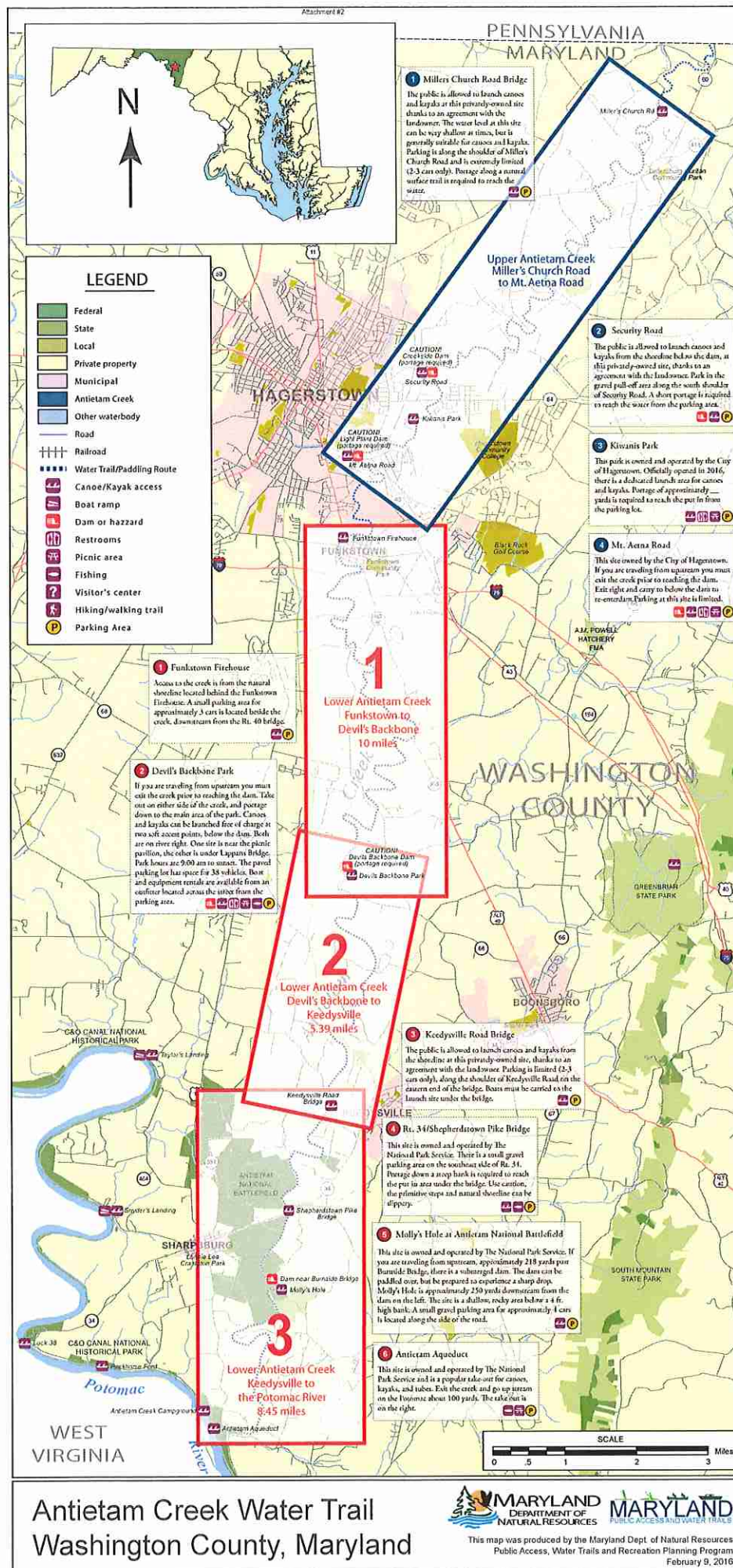
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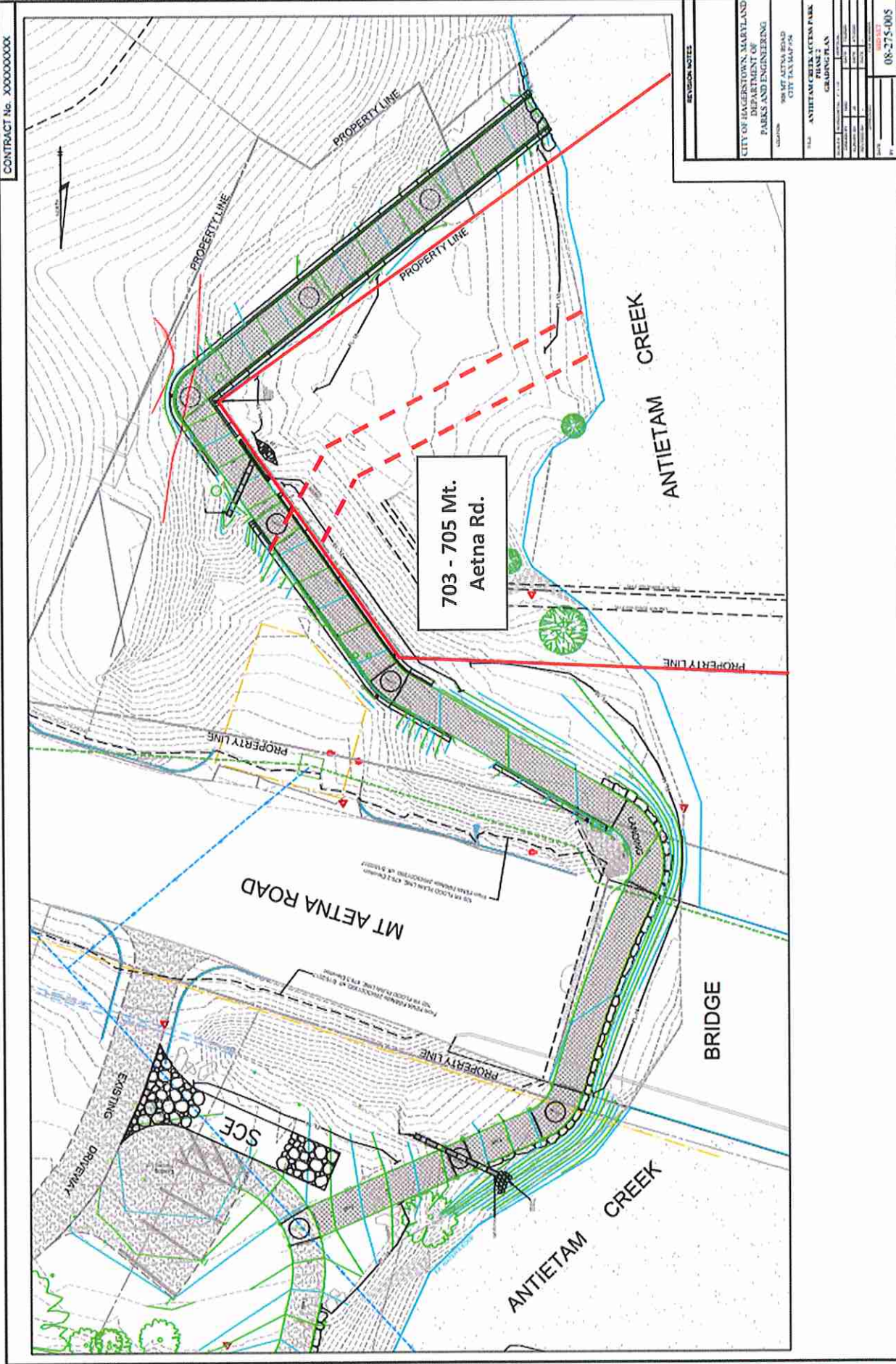
703 - 705 Mt. Aetna Road – Not to Scale

The City of Hagerstown proposes to purchase an easement through property of 703 Mt. Aetna Road that sits on the east side of Antietam Creek as highlighted in **YELLOW**.

1. The proposed price is TWENTY THOUSAND DOLLARS (\$20,000.00). This would be for the purchase of an easement of the entire area or portion thereof on the east side of the creek.
2. The purchase of the easement would not include any responsibility for the weir that extends across Antietam Creek.



CONTRACT No. 0000000000



Proposed Portage Across 703 - 705 Mt. Aetna Road

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

DATE: October 21, 2025

TOPIC: **INTRODUCTION OF AN ORDINANCE: AUTHORIZING THE PURCHASE OF AN EASEMENT OVER A PORTION OF THAT CERTAIN PARCEL OF REAL PROPERTY LOCATED AT 703-705 MT. AETNA ROAD, HAGERSTOWN, MARYLAND**

Charter Amendment

Code Amendment

Ordinance

✓ Resolution

Other

MOTION: I hereby move for the Mayor and Council to introduce an ordinance authorizing the purchase of an easement over a portion of that certain parcel of real property located at 703 – 705 Mt. Aetna Road, Hagerstown, Maryland. The purchase price of TWENTY THOUSAND DOLLARS AND NO CENTS (\$20,000.00) is to be paid from the Fund Balance Reserve.

DATE OF INTRODUCTION:	OCTOBER 21, 2025
DATE OF PASSAGE:	OCTOBER 28, 2025
EFFECTIVE DATE:	NOVEMBER 28, 2025

CITY OF HAGERSTOWN, MARYLAND

**AN ORDINANCE TO APPROVE THE PURCHASE OF AN EASEMENT OVER
A PORTION OF THAT CERTAIN PARCEL OF REAL PROPERTY
LOCATED AT 703-705 MT. AETNA ROAD, HAGERSTOWN, MARYLAND (TM 311,
PARCEL 973; TAX ACCT. NO. 17-025759, liber 7170, folio 202) :
AND AUTHORIZING EXECUTION AND DELIVERY OF A
PROPERTY ACQUISITION AGREEMENT BY AND BETWEEN THE CITY AND
THE SERGEY PIVOVAR REVOCABLE LIVING TRUST DATED THE
18th DAY OF MAY, 2022**

RECITALS

WHEREAS, **THE SERGEY PIVOVAR REVOCABLE LIVING TRUST DATED THE 18TH DAY OF MAY, 2022**, a Maryland Trust (hereinafter sometimes referred to as “Seller”) is the owner of that certain parcel of unimproved real property located at 703-705 Mt. Aetna Road, Hagerstown, Maryland (TM 311, PARCEL 973; TAX ACCT. NO. 17-025759, liber 7170, folio 202) (hereinafter, the “Property”).

WHEREAS, the **CITY OF HAGERSTOWN, MARYLAND**, is a Maryland Municipal Corporation (“the City”) which constructs, operates and maintains recreational facilities for its Citizens;

WHEREAS, the City is the owner of that certain parcel of unimproved recreational real property consisting of 0.5 acres and located on Mt. Aetna Road, Hagerstown, Washington County, Maryland (TM 311, Parcel 956; Tax Acct. No. 17-022334, Liber 220, folio 462) (the “**City Property**”), which is adjacent to the Property;

WHEREAS, the City desires to construct, for the benefit of the public in general, a public walkway from the City Property over a portion of the Property to the Antietam Creek (the “Public Walkway”). The portion of the Property which the City desires to occupy exclusively to construct the Public Walkway is depicted on drawing entitled “Public Walkway Easement for the City of Hagerstown Concept 05-07-2025,” attached hereto as Exhibit A on the attached Property Acquisition Agreement;

WHEREAS, to facilitate the public’s access to the Antietam Creek, the City desires to acquire a perpetual easement over, across, and through portions of the Property (the “Easement”), for the purpose of constructing and maintaining the Public Walkway. The particular portion of the Property to be conveyed as an easement area to the City is shown and described on Exhibit A as *Proposed 0.79 AC Access/Maintenance Easement over Lands of Sergey Pivovar to Serve the City of Hagerstown*;

WHEREAS, the City’s acquisition of the Easement shall not relieve the Seller of its obligation to maintain, repair and/or replace the weir which is located on the Property. The City shall have no obligation with respect to the weir, and the Seller shall indemnify and hold harmless the City with respect to any liability stemming from the weir. This provision shall survive closing; and

WHEREAS, in exchange for the Seller's conveyance of the Easement, the City shall pay the Seller the sum of TWENTY THOUSAND DOLLARS and 00/100 CENTS (\$20,000.00) (the "Payment"). The City's payment to the Seller shall occur at Closing;

WHEREAS, the City has applied for Program Open Space Funds through the State of Maryland to fund the Payment and other costs related to the acquisition of the easement over the Property. Even should the POS funds not be awarded, the City shall still move forward with the purchase of the Easement over the Property;

WHEREAS, attached hereto and incorporated herein is a Property Acquisition Agreement, including Exhibits A and B, for the purchase of an easement over, across, under and through portions of the Pivovar Property; 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 Property Acquisition 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 City's acquisition of the Easement pursuant to the terms of the attached Property Acquisition Agreement is hereby approved.
3. That the Mayor be and is hereby authorized to execute and deliver the Property Acquisition Agreement with the Sergey Pivovar Revocable Living Trust Date the 18th Day of May, 2022 a copy of which (including Exhibits A and B) is attached hereto and incorporated hereby 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 Property Acquisition Agreement.

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

William B. McIntire, Mayor

Date of Introduction: October 21, 2025
Date of Passage: October 28, 2025
Effective Date: November 28, 2025

PREPARED BY:
SALVATORE & MORTON, LLC
CITY ATTORNEYS

PROPERTY ACQUISITION AGREEMENT

THIS PROPERTY ACQUISITION AGREEMENT (this "**Agreement**") is entered into this _____ day of _____ 2025 (the "**Effective Date**"), by and between the **SERGEY PIVOVAR REVOCABLE LIVING TRUST DATED THE 18th DAY OF MAY, 2022**, a Maryland Trust (hereinafter sometimes referred to as "**Seller**"); and the **MAYOR AND COUNCIL OF THE CITY OF HAGERSTOWN, MARYLAND**, a municipal corporation of the State of Maryland, (hereinafter sometimes referred to as "**Buyer**" or "**City**").

RECITALS

A. Seller is the owner of that certain parcel of unimproved real property consisting of 2.9633 acres and located at 703-705 Mt. Aetna Road, Hagerstown, Washington County, Maryland 21740 (TM 311, Parcel 973; Tax Acct. No. 17-025759, Liber 7170, folio 202) (the "**Property**");

B. The City is the owner of that certain parcel of unimproved real property consisting of 0.5 acres and located on Mt. Aetna Road, Hagerstown, Washington County, Maryland (TM 311, Parcel 956; Tax Acct. No. 17-022334, Liber 220, folio 462) (the "**City Property**");

C. The City desires to construct, for the benefit of the public in general, a walkway from the City Property over a portion of the Property to the Antietam Creek (the "**Public Walkway**"). The portion of the Property which the City desires to occupy exclusively to construct the Public Walkway is depicted on drawing entitled "Public Walkway Easement for the City of Hagerstown Concept 05-07-2025," attached hereto as Exhibit A;

D. To facilitate the public's access to the **Antietam Creek**, the City desires to acquire a perpetual easement over, across, and through portions of the Property (the "**Easement**"), for the purpose of constructing and maintaining the Public Walkway. The particular portion of the Property to be conveyed as an easement area to the City is shown and described on Exhibit A as *Proposed 0.79 AC Access/Maintenance Easement over Lands of Sergey Pivovar to Serve the City of Hagerstown*;

E. The City's acquisition of the Easement shall not relieve the Seller of its obligation to maintain, repair and/or replace the weir which is located on the Property. The City shall have no obligation with respect to the weir, and the Seller shall indemnify and hold harmless the City with respect to any liability stemming from the weir. This provision shall survive closing; and

F. In exchange for the Seller's conveyance of the Easement, the City shall pay the Seller the sum of TWENTY THOUSAND DOLLARS and 00/100 CENTS (\$20,000.00) (the "**Payment**"). The City acknowledges that it is responsible for any and all applicable permit

fees required in connection with the construction of the Public Walkway. The City's payment to the Seller shall occur at Closing.

NOW, THEREFORE, in consideration of the foregoing recitals, which are made a part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Incorporation of Recitals and Defined Terms.** The parties agree that the foregoing Recitals are true, complete, and hereby incorporated by reference.
2. **Consideration.** The City agrees to acquire and Seller agrees to convey the Easement over, across, under and through the Property for the Payment,
3. **Closing.** Closing on the transfer of the Easement from Seller to the City (the "**Closing**") shall occur within FIFTEEN (15) days immediately following satisfaction of the Closing Conditions (defined below). No later than FIVE (5) days prior to Closing, the City shall provide to Seller a Deed of Easement and Maintenance Agreement as to the Public Walkway, the form of which is attached hereto as **Exhibit B**. At Closing, Seller shall deliver *inter alia* the final Deed of Easement. Each party shall be responsible for its own attorney's fees. It is the parties mutual understanding that, as an instrument of writing transferring property to a political subdivision of the State of Maryland, the Deed of Easement shall be exempt from recordation tax (MD Code, Tax-Property, §12-108(a)(1)); transfer tax (MD Code, Tax-Property, §13-207(a)(1)); and agricultural transfer tax (MD Code, Tax-Property, §13-305(h)).
4. **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. 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 (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 thirty (30) days after the Effective Date (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, and (ii) neither Buyer nor Seller shall have any further obligations to one another hereunder, except for those which expressly survive termination of this Agreement.

5. **Representations and Warranties of Seller.** Seller hereby makes the following representations 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.

5.1 **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. Other than this Agreement, there are no other oral or written agreements relating to the use, occupancy or possession of the Property that would prohibit, interfere or in any way restrict Buyer's use thereof.

5.2 **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.

5.3 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.

5.4 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. **Seller expressly understands that the consent of the Maryland Department of Natural Resources ("DNR") shall be required in order for Buyer to enter into to this Agreement. Buyer shall diligently pursue said consent and shall immediately inform Seller of the decision of the DNR.**

5.5 Condemnation, Violation of Laws, Etc. 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.

5.6 Flood Hazard Area. To the best of Seller's actual knowledge with no duty to investigate further, a portion of the Property is located in an area designated by any governmental entity as a flood hazard area.

5.7 Hazardous Conditions.

(i) During Seller's ownership there have been no, and there are no pending or, to the best of Seller's actual knowledge, threatened: (A) claims, complaints, notices, or requests for information received by Seller with respect to any alleged violation of any Environmental Law with respect to the Property, or (B) claims, complaints, notices, or requests for information to Seller regarding potential or alleged liability under any Environmental Law with respect to the Property.

(ii) To the best of Seller's actual knowledge with no duty to investigate, no conditions exist at, on, or under the Property that, with the passage of time or the giving of notice or both, would constitute a Hazardous Condition or give rise to liability under any Environmental Law.

(iii) Seller has not received notice of any violation of any orders, directives, requirements, permits, certificates, approvals, licenses, and other authorizations relating to Environmental Laws with respect to the Property.

(iv) To the best of Seller's actual knowledge with no duty to investigate there are no aboveground tanks in excess of 275 gallon storage capacity or any underground storage tanks (collectively, "USTs") located on or in the Property. Seller has not removed or abandoned any USTs on or in the Property and Seller has no knowledge of the existence, abandonment or removal of USTs from the Property.

For purposes of this Agreement, the following terms shall have the meaning as indicated:

"Environmental Law" shall mean: (i) the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§9601 et seq.) as amended; (ii) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), as amended; (iii) the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 11001 et seq.), as amended; (iv) the Clean Air Act (42 U.S.C. §§ 7401 et seq.) as amended; (v) the Clean Water Act (33 U.S.C. §§ 1251 et seq.) as amended; (vi) the Toxic Substances Control Act (15 U.S.C. §§2601 et seq.) as amended; (vii) the Hazardous Materials Transportation Act (49 U.S.C. §§1801 et seq.) as amended; (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 et seq.), as amended; (ix) the Safe Drinking Water Act (42 U.S.C. §§ 300f et seq.), as amended; (x) any state, county, municipal or local statutes, laws or ordinances similar or analogous to the statutes listed in parts (i) - (ix) of this definition; (xi) any amendments to the statutes, laws or ordinances listed in parts (i) - (x) of this definition, regardless of whether the same are in existence on the date hereof; (xii) any rules, regulations, guidelines, directives, orders or the like adopted pursuant to or to implement the statutes, laws, ordinances and amendments listed in parts (i) - (xi) of this definition; and (xiii) any other law, statute, ordinance, amendment, rule, regulation, guideline, directive, order or the like relating to environmental or other matters covered by the foregoing.

"Governmental Authorities" shall mean any board, bureau, commission, department or body of any municipal, township, county, city, state or federal governmental unit, or any subdivision thereof, having or acquiring jurisdiction over any of the Property or the ownership, management, operation, use or improvement thereof.

"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 Hazardous Material Litigation. No proceeding, suit or litigation relating to the Seller or the Property or any part thereof is pending or, to the best of Seller's actual 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.

5.8 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.

5.9 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.

5.10 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.

5.11 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.

5.12 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.

5.12 Except as otherwise provided herein, Seller is making no warranties as to the condition of the Property is being conveyed "AS IS, WHERE IS AND WITH ALL FAULTS."

6. **Closing Conditions.**

- A. *Easement*. The City and Seller shall have entered into a written Deed of Easement Agreement and Maintenance Agreement for the easement depicted on Exhibit A. The form of the Easement Agreement is attached hereto as Exhibit B.

7. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and transferees. This Agreement shall also be deemed to run with the land.

8. **Notice.** Notices and other communications required or permitted to be given hereunder shall be deemed to have been duly given if in writing and delivered by recognized overnight delivery service or email transmission, as follows:

To Seller

Sergey Pivovar Revocable Living Trust dated the 18th day of May, 2022
13551 Pulaski Drive
Hagerstown, Maryland 21742
Attn: Mr. Sergey Pivovar, Trustee

To the City

Eric Deike, Director of Public Works
City of Hagerstown
51 West Memorial Boulevard
Hagerstown, Maryland 21740
edeike@hagerstownmd.org

With a copy to:

Jason Morton
Salvatore & Morton, LLC
20 West Washington Street, Suite 402
Hagerstown, Maryland 21740
jmorton@salvatoremorton.com

9. **Governing Law.** Regardless of its place of execution, this Agreement shall be governed by the laws of the State of Maryland as to interpretation, construction, and performance, without regard to its conflicts of law provisions.

10. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties, there being no other terms, oral or written, except as herein expressed.

11. **Counterparts.** This Agreement (i) may be executed in two (2) or more counterparts, each of which shall be deemed an original, and all such counterparts shall together constitute one and the same instrument; (ii) may be executed by copies of physically signed documents exchanged via email attachment in PDF format or equivalent.

12. **Exhibits Incorporated.** Each Exhibit attached to and referred to in this Agreement is hereby incorporated by reference as though set forth in full where referred to herein.

13. **Amendments.** This Agreement may be amended, changed or modified only by written amendment executed by the parties hereto. No waiver of any provision of this Agreement shall be valid unless in writing signed by the party charged.

14. **Further Agreements.** The parties shall at any time and from time to time after Closing, upon request of the other, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged or delivered, all such further acts, deeds, conveyances and assurances as may reasonably be required for the better conveying, transferring, assuring and confirming the terms and conditions contemplated herein.

15. **Time of the Essence.** Time shall be of the essence of this Agreement.

16. **Survival.** The obligations, agreements and covenants contained herein or liabilities accrued under this Agreement which, by their terms, require their performance after the expiration or termination of this Agreement shall be enforceable after the Closing or other *de jure* termination of this Agreement, the parties specifically acknowledging that the Closing and the execution and recordation of deed and deed of easement contemplated herein shall not terminate the obligations of the parties that are intended and by their terms survive the Closing.

17. **Severability.** If any provision of this Agreement shall be determined to be invalid or unenforceable, the remaining provisions of this Agreement shall not be affected thereby, and every provision of this Agreement shall remain in full force and effect and enforceable to the fullest extent permitted by law.

18. **Waiver.** Neither party's waiver of the other's breach of any term, covenant or condition contained in this Agreement shall be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition in this Agreement.

19. **Assignment.** This Agreement may not be assigned by either party without the express written consent of each party.

20. **Headings.** Headings are intended only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this Agreement.

IN WITNESS WHEREOF, the Seller and the City have executed this Agreement as of the date set forth above.

ATTEST

CITY OF HAGERSTOWN

Donna K. Spickler, City Clerk

By: _____
William B. McIntire, Mayor

WITNESS/ATTEST

**SERGEY PIVOVAR REVOCABLE LIVING TRUST
DATED THE 18th DAY OF MAY, 2022**

BY: _____
Name: Sergey Pivovar
Title: Trustee

STATE OF MARYLAND, COUNTY OF WASHINGTON, to wit:

I HEREBY CERTIFY that on this ____ day of _____, 2025, before me, the Subscriber, Notary Public in and for the State and County aforesaid, personally appeared **William B. McIntire**, Mayor of the City of Hagerstown, and he acknowledged the foregoing Property Acquisition Agreement to be his act and deed on behalf of the City of Hagerstown and he did further certify that he is duly authorized to make this acknowledgement on its behalf and that he is duly authorized to execute this Agreement on its behalf.

WITNESS my hand and Notarial Seal this ____ day of _____, 2025.

Notary Public

My commission expires:

STATE OF MARYLAND, WASHINGTON COUNTY, to-wit:

I HEREBY CERTIFY that on this ____ day of _____, 2025, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared **Sergey Pivovar**, Trustee of the Sergey Pivovar Revocable Living Trust dated the 18th Day of May, 2022, who acknowledged the foregoing Property Acquisition Agreement to be the act

and deed of said trust, that he is authorized to make this acknowledgment and that the within instrument, and that the foregoing transfer is for the monetary consideration set forth herein and the consideration stated herein is true and correct.

WITNESS my hand and Official Notarial Seal.

Notary Public
My Commission expires:

STATE OF MARYLAND, WASHINGTON COUNTY, to-wit:

Exhibit A

**Public Walkway Easement for the City of Hagerstown Concept 05-07-2025
(one page)**

**PUBLIC WALKWAY EASEMENT
FOR THE CITY OF HAGERSTOWN
CONCEPT 05-07-25**



LINE	BEARING	DISTANCE
E1	N 54°26'58" E	154.49'
E2	N 35°33'02" W	77.85'
E3	N 87°17'46" W	114.00'
E4	N 11°54'43" W	59.53'
E5	N 73°05'10" W	102.90'
E6	S 12°18'23" E	117.40'
E7	S 22°25'20" E	148.34'
E8	N 85°20'16" E	62.78'

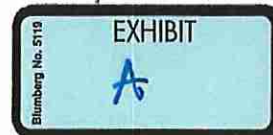
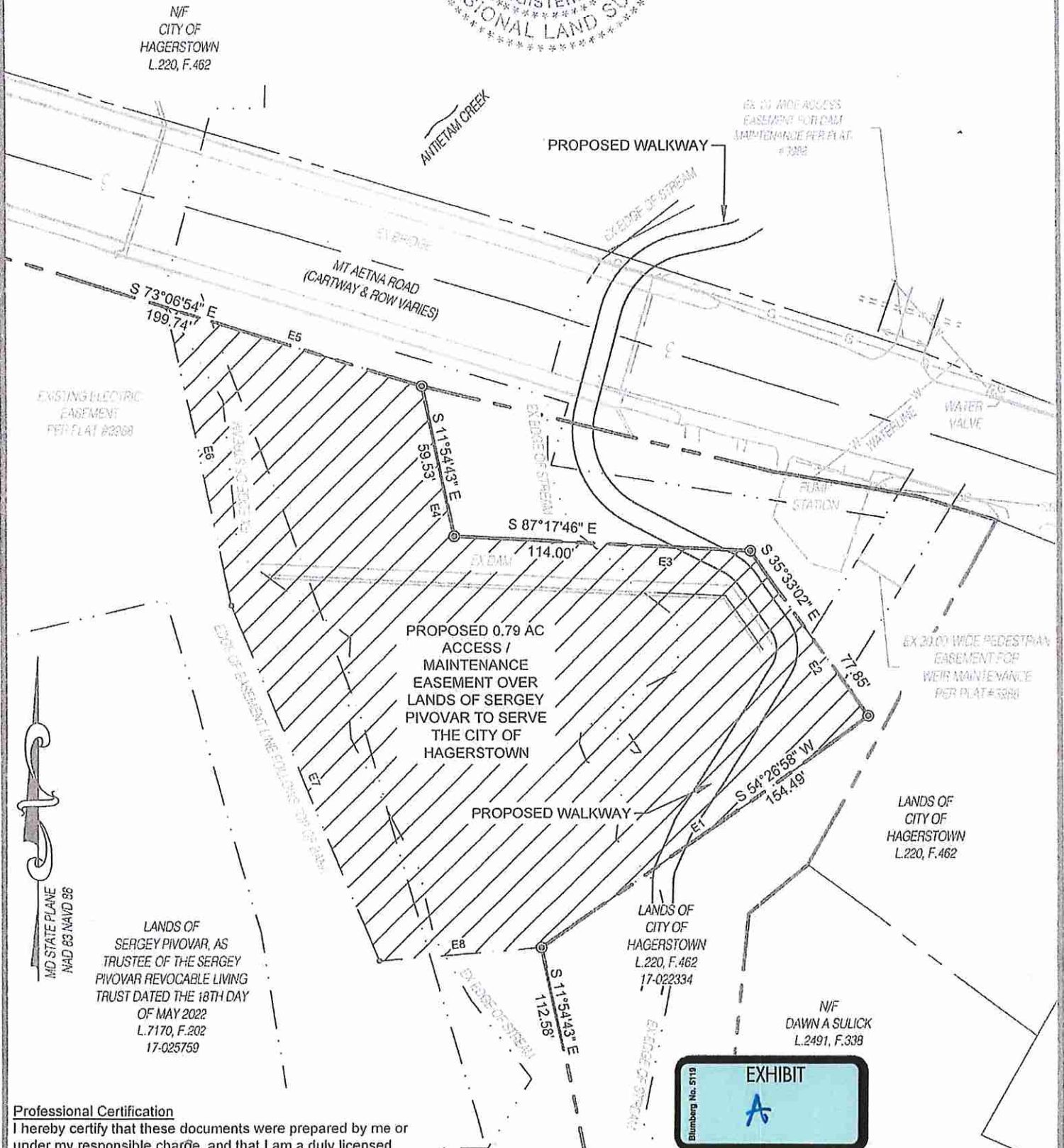


Exhibit B
Form of Deed of Easement and Maintenance Agreement
between City and Sergey Pivovar Revocable Living Trust dated the 18th Day of May,
2022
(5 pages)

Election District No. 17
Part of Property Map 311, Parcel No. 973
Tax Parcel ID No.: 17-025759

DEED OF EASEMENT
AND MAINTENANCE AGREEMENT

THIS DEED OF EASEMENT AND MAINTENANCE AGREEMENT is made this ____ day of _____, 2025, by and between the **SERGEY PIVOVAR REVOCABLE LIVING TRUST DATED THE 18TH DAY OF MAY, 2022**, a Maryland trust in the State of Maryland (hereinafter sometimes referred to as "Grantor") and the **MAYOR AND COUNCIL OF THE CITY OF HAGERSTOWN, MARYLAND**, a municipal corporation of the State of Maryland, (hereinafter sometimes referred to as "Grantee").

WITNESSETH: That for TWENTY THOUSAND DOLLARS AND 00/100 CENTS (\$20,000.00) monetary consideration and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the said Grantor does hereby grant and convey unto the Grantee, its successors and assigns, a **Perpetual and Permanent Easement** and the right of ingress and egress for the purpose of constructing, maintaining, repairing, replacing and removing, as needed, a raised wooden walkway for public access to the Antietam Creek and the necessary accessories, fixtures and appurtenances thereto (collectively "the Facilities"), across and over a portion of the unimproved property, situate in Election District No. 17 of Washington County, Maryland, near the southern side of Mt Aetna Road, and more particularly described as follows: *"Proposed 0.79 AC Access/Maintenance Easement over Lands of Sergey Pivovarov to Serve the City of Hagerstown."*

Being a portion of all that piece or parcel of land that was conveyed by REO 2015, LLC unto the Grantor by deed dated November 30, 2022, and recorded among the Land Records of Washington County, Maryland, in Liber 7170, folio 202.

The above-described easement is graphically depicted as *"Proposed 0.79 AC Access/Maintenance Easement over Lands of Sergey Pivovarov to Serve the City of Hagerstown,"* on the drawing entitled "Public Walkway Easement for the City of Hagerstown Concept 05-07-2025," consisting of one (1) page, a copy of which is appended hereto and made a part hereof.

SUBJECT to all other easements, rights of way, covenants, conditions and restrictions of record applicable thereto.

AND SUBJECT to the rights and obligations contained herein.

TO HAVE AND TO HOLD the right and privilege of the easement hereby granted to the use and benefit of the within Grantee, its successors and assigns.



AND IT IS FURTHER understood and agreed by the parties that the easement herein granted is granted under and subject to the following terms and conditions:

1. Grantee shall perform, at its cost and effort, such maintenance, repairs, and replacements as are necessary to keep the Facilities clear and functioning so as not to cause damage to Grantor's property. Grantee shall repair, at its cost and effort, any changes made to the easement area or Grantor's property as a result of any maintenance and repairs.
2. Except as otherwise provided in this Deed of Easement and Maintenance Agreement, neither party shall, without the written permission of the other directly or through others, erect any gate, fence, building or other structure within the easement area; make a fill or excavation of the earth so as to cause a change in contour; intentionally inundate the land with water, or otherwise alter the easement area. In the event a party removes any obstruction or otherwise corrects any condition constituting a violation of this paragraph, the violating party shall promptly reimburse other party's reasonable costs of doing so.
3. Grantee shall indemnify, hold harmless, and defend the Grantor from any and all claims, rights, judgments, etc. resulting from injuries, including death, damages and losses sustained by any person or property arising from the Grantee's negligence in the use of the easement area conveyed herein or the construction, maintenance or repair of the Facilities.
4. Grantor shall continue to maintain, repair and/or replace the dam/weir which is located on Grantor's property. Grantee shall have no obligation with respect to the dam/weir, and the Grantor shall indemnify and hold harmless the Grantee with respect to any liability stemming from the dam/weir.
5. This Deed of Easement and Maintenance Agreement shall be for the exclusive use of the Grantee, its guests and invitees, shall run with the land and be binding upon and inure to the benefit of the parties and their respective successors and assigns, and the terms "Grantor" and "Grantee" hereunder shall include their respective successor and assigns.
6. This Deed of Easement is conveyed together with the right to excavate for the construction, repair, and/or replacement of the Facilities; together with the further right to remove trees, bushes, undergrowth, or other obstructions interfering with the operation, maintenance, and/or replacement thereof.
7. **Both parties acknowledge that this Deed of Easement is subject to Natural Resources Article §§5-906 (f)(1)(i) and 5-906(f)(1)(ii) which state: Land acquired or developed under a State grant from Program Open Space may not be converted, without written approval of the Secretary, the Secretary of the Department of Budget Management, and the Secretary of the Department of Planning from outdoor public recreation or open space use to any other use. Any conversion in land use may be approved only after the local governing body**

replaces the land with land of at least equivalent area and of equal recreation open space value. In addition, Natural Resources Article §5-906 (f)(2)(i) states: For any conversion of land acquired or developed under a State grant from Program Open Space as provided in paragraph (1) of this subsection, the appraised monetary value of the land proposed for acquisition shall be equal to or greater than the appraised monetary value of the land to be converted, under the proposed new use of the of the converted land. For purposes of this paragraph, "land" shall mean and refer to the Grantee's easement interest.

WITNESS the hand and seal of Grantor and Grantee.

ATTEST:

SERGEY PIVOVAR REVOCABLE LIVING TRUST DATED
THE 18th of MAY 2022

By: _____(SEAL)
Sergey Pivovarov, Trustee

ATTEST:

MAYOR AND COUNCIL OF THE CITY
OF HAGERSTOWN, MARYLAND

Donna K. Spickler, Clerk

By: _____(SEAL)
William B. McIntire, Mayor

STATE OF MARYLAND, WASHINGTON COUNTY, to-wit:

I HEREBY CERTIFY that on this ____ day of _____, 2025, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Sergey Pivovarov, **Trustee of the Sergey Pivovarov Revocable Living Trust Dated the 18th Day of May, 2022**, who acknowledged the foregoing Deed of Easement and Maintenance Agreement to be the act and deed of said trust, that he is authorized to make this acknowledgment and that the within instrument, and that the foregoing transfer is for the monetary consideration set forth herein and the consideration stated herein is true and correct.

WITNESS my hand and Official Notarial Seal.

Notary Public

My Commission expires:

STATE OF MARYLAND, WASHINGTON COUNTY, to-wit:

I HEREBY CERTIFY that on this ____ day of _____, 2025, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared **William B. McIntire, Mayor of the City of Hagerstown, Maryland**, who acknowledged the foregoing Deed of Easement and Maintenance Agreement to be the act and deed of the Mayor and Council of the City of Hagerstown, that he is authorized to make this acknowledgment, that he is duly authorized to execute the foregoing, and did swear and affirm under the penalties of perjury that the consideration stated herein is true and correct.

WITNESS my hand and Official Notarial Seal.

Notary Public

My Commission expires:

I 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, but the undersigned did not perform a title search, title examination or make any certification as to title.

Jason Morton

Mail to:

City of Hagerstown
Attn:
Donna K. Spickler
City Clerk
1 East Franklin Street
Hagerstown, MD 21740

**PUBLIC WALKWAY EASEMENT
FOR THE CITY OF HAGERSTOWN
CONCEPT 05-07-25**



LINE	BEARING	DISTANCE
E1	N 54°26'58" E	154.49'
E2	N 35°33'02" W	77.85'
E3	N 87°17'46" W	114.00'
E4	N 11°54'43" W	59.53'
E5	N 73°06'10" W	102.90'
E6	S 12°18'23" E	117.40'
E7	S 22°25'20" E	148.34'
E8	N 85°20'16" E	62.78'

N/F
CITY OF
HAGERSTOWN
L.220, F.462

ANTIETAM CREEK

PROPOSED WALKWAY

15' AS SHOWN ACCESS
BEHIND PROPERTY
MAINTENANCE LOT #1
6099

MT. AETNA ROAD
(CARTWAY & ROW VARIES)

S 73°06'54" E
199.74'

EXISTING ELECTRIC
CABLES
SEE PLAT #3895

WATER VALVE

WATER LINE

PROPOSED 0.79 AC
ACCESS /
MAINTENANCE
EASEMENT OVER
LANDS OF SERGEY
PIVOVAR TO SERVE
THE CITY OF
HAGERSTOWN

PROPOSED WALKWAY

EXISTING 15' WIDE PEDESTRIAN
EASEMENT FOR
WATER MAINTENANCE
SEE PLAT # 3895

LANDS OF
CITY OF
HAGERSTOWN
L.220, F.462

LANDS OF
CITY OF
HAGERSTOWN
L.220, F.462
17-022334

N/F
DAWN A SULICK
L.2491, F.338

LANDS OF
SERGEY PIVOVAR, AS
TRUSTEE OF THE SERGEY
PIVOVAR REVOCABLE LIVING
TRUST DATED THE 18TH DAY
OF MAY 2022
L.7170, F.202
17-025759

MD STATE PLANE
NAD 83 NAVD 88

Professional Certification
I hereby certify that these documents were prepared by me or
under my responsible charge, and that I am a duly licensed

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

Topic:

Program Open Space, Easement Purchase, Antietam Creek Waterway Trail - Creek Access
- *Eric Deike, Director of Public Works*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Description

POS_Grant_Request_Easement_Purchase_Antietam_Creek_Waterway_Trail_-_Creek_Access_Council_Packet.pdf

Program Open
Space,
Easement
Purchase,
Antietam
Creek
Waterway Trail
- Creek
Access



CITY OF HAGERSTOWN, MARYLAND

Public Works Department

www.hagerstownmd.org

TO: Scott Nicewarner, City Administrator

FROM: Eric B. Deike, Director of Public Works

DATE: September 23, 2025

SUBJECT: Program Open Space Grant Request
Easement Purchase
Antietam Creek Waterway Trail – Creek Access

MAYOR AND COUNCIL ACTION REQUESTED

Staff is seeking Mayor and Council approval to pursue a land acquisition grant through the Maryland Department of Natural Resources (DNR), Program Open Space (POS), for the purchase of an easement. The easement is for the construction of the Antietam Creek Waterway Access Trail - Phase II.

DISCUSSION

POS provides funding for 2 types of projects: Land Acquisition and Development. Most grant requests made by the City are for Development. This includes capital items such as playground equipment, roof replacements, picnic tables and other similar items.

Acquisition per the POS Manual is for the purchase of “land or interests in land that are beneficial and necessary for providing general outdoor recreation and/or open space opportunities for the public.” The City’s request is for the purchase of a perpetual easement through private property for the Antietam Creek Waterway Trail – Creek Access.

Please see my memorandum regarding the purchase of the easement from Sergey Pivovar Revocable Living Trust for details on the access trail.

Staff has submitted an acquisition grant to the State of Maryland DNR for POS funding under Fiscal Year 2024/2025. This was based on conversations with staff from Washington County Government where all POS funding requests are submitted for preliminary approval. It was through their guidance and encouragement that submission of the grant was highly recommended.

Typically, most grant opportunities will not reimburse the grantee any funds spent before approval of the grant itself. However, DNR has given permission to the City to spend funds on this purchase before official approval of the POS land acquisition grant.

FINANCIAL IMPACT

The POS acquisition grant will pay 100% of applicable costs for the easement acquisition. Cost include the agreed-to price of the easement, appraisal fees (2 appraisals were required), easement

Public Works Department
51 West Memorial Blvd.
Hagerstown, MD 21740
Ph: 301.739.8577 Ext. 178

Parks and Recreation Division
351 North Cleveland Ave.
Hagerstown, MD 21740
Ext. 169

Parking Division
1 E. Franklin St.
Hagerstown, MD 21740
Ext.479



CITY OF HAGERSTOWN, MARYLAND

Public Works Department

www.hagerstownmd.org

preparations, and legal fees. The total cost is an estimated \$30,100.00. Total legal fees will be determined once all documentation and recording of the easement has been completed.

The purchase price of the perpetual easement is \$20,000.00. The remaining paperwork and services equate to the remaining \$10,100.00.

RECOMMENDATION

It is the recommendation of staff to continue pursuing the POS acquisition grant. The State of Maryland staff at DNR have indicated that approval of the grant is forthcoming. The City must first have an official agreement approved by the Mayor and Council.

Sergey Pivovar Revocable Living Trust has agreed to the \$20,000.00 purchase price and is waiting for the City to extend an official offer.

Staff will be available to answer any questions regarding the subject.

Att: Michelle Hepburn, CFO

Public Works Department
51 West Memorial Blvd.
Hagerstown, MD 21740
Ph: 301.739.8577 Ext. 178

Parks and Recreation Division
351 North Cleveland Ave.
Hagerstown, MD 21740
Ext. 169

Parking Division
1 E. Franklin St.
Hagerstown, MD 21740
Ext. 479

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

Topic:

Reallocation of Community Development Block Grant (CDBG) FY2026 Funds - *Margi Joe, Community Development Manager*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

100725_WS_Packet_CDBG_Amendment.pdf

Description

Amendment to CDBG
FY26 Funding Allocation



CITY OF HAGERSTOWN, MARYLAND

Department of Housing & Community Development

One East Franklin Street • Hagerstown, MD 21740

E-mail: codecompliance@hagerstownmd.org

Telephone: 301-739-8577, ext. 103 • Website: www.hagerstownmd.org

To: Scott Nicewarner, City Administrator

From: Margi Joe, Community Development Manager

Date: October 3, 2025

RE: **Proposed CDBG Annual Action Plan Amendments – Reallocation of Funding from Alleyways to Wheaton Park Bandshell**

Staff will attend the October 7, 2025 Work Session to formally request a recommended amendment to the FY26 Community Development Block Grant (CDBG) Annual Action Plan. This amendment will reallocate \$100,000 of CDBG funding from Alleyway Repair to the existing FY24 activity Wheaton Park Phase II (Bandshell/Stage). Staff seek approval of the proposed amendments at the October 21, 2025 Special Session.

Background

Staff presented to Mayor and City Council on September 9, 2025 the proposed amendment to the FY26 CDBG Annual Action Plan, which is to reallocate \$100,000 of new CDBG funding from the Alleyway Repair activity to the Wheaton Park Phase II activity. (At that time staff awaited formal HUD approval of the Action Plan in order to move forward with the process for the proposed amendment.)

The primary element in Phase II of the Wheaton Park improvements is the construction of a new stage/bandshell on the western side of the park. Currently Wheaton Park Phase II is leveraged by \$100,000 in existing funding. The low bid for the project was \$196,120.75, considerably higher than the funding currently allocated. The requested reallocation is to cover the shortfall.

Amending the CDBG Action Plan involves routine processes typically handled by staff. Per the Citizen Participation Plan, cancellation of an approved activity or reallocation of funds in excess of \$25,000 also requires Mayor and City Council approval. The required 30-day public comment period will close on October 20, 2025 and any comments received will be presented to Mayor and City Council ahead of the Special Session on October 21, 2025.

Staff will be available to address any questions or concerns on recommended action described above.

Attached: Draft Motion

Public Notice with Detail of Proposed Amendment

Stage Plan

- c. Amanda Gregg, Chief Housing & Community Development Officer
Jim Bender, City Engineer
Eric Deike, Director Public Works

Michelle Hepburn, Chief Financial Officer
Brooke Garver, Accounting & Budget Manager
Jeff Lear, Senior Accountant

REQUIRED MOTION

MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Date: October 21, 2025

TOPIC: Amendment to Community Development Block Grant (CDBG) FY2026
Annual Action Plan

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

MOTION: I hereby move for the Mayor and City Council to approve the amendment to the FY26 Community Development Block Grant Annual Action Plan for the following action:

- Reallocation of funding for the activity “Alleyway Repaving Projects” toward the previously existing FY24 activity “Wheaton Park Phase II” (Band Shell) in the amount of \$100,000

Details of the CDBG amendment are attached.

DATE OF INTRODUCTION: 10/21/2025

DATE OF PASSAGE: 10/21/2025

EFFECTIVE DATE: 10/21/2025

**CITY OF HAGERSTOWN, MARYLAND
AMENDMENT TO FY 2026 ANNUAL ACTION PLAN FOR USE OF
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

ALLOCATION OF FUNDING TO EXISTING CDBG ACTIVITIES:

In Fiscal Year 2026, the City of Hagerstown proposes to reprogram \$100,000 of allocated CDBG entitlement funding to an existing CDBG activity:

Proposed Reprogramming of CDBG Funding:

- Reallocate \$100,000 from new activity Alleyway Repaving to previously existing FY24 activity Wheaton Park Phase II (Bandshell/Stage). Amendment will result in a total budget of \$200,000 toward construction of a bandshell/stage area in Wheaton Park.

The proposed reallocation of funding is to address higher than anticipated costs for the construction of the stage area.

The City will receive comments from interested individuals until October 20, 2025. Individuals interested in commenting may contact:

Margi Joe, Community Development Manager
Department of Housing and Community Development
14 N. Potomac Street, Suite 200A
Hagerstown, MD 21740
301-739-8577 x134
mjoe@hagerstownmd.org



31 West Park Drive
Hightstown, NJ 08520
Phone: 609.775.9900

Wheaton Park Pavilion

M&A
MATERIALS & ASSOCIATES
STRUCTURAL ENGINEERS

931-B Sawyer Drive
Hightstown, NJ 08520
P: 609.750.4111

M&A PROJECT # 24-023



PROFESSIONAL CERTIFICATION
I HEREBY CERTIFY THAT THESE
DOCUMENTS WERE PREPARED OR
APPROVED BY ME, AND THAT I AM
A FULLY LICENSED PROFESSIONAL
ENGINEER UNDER THE LAWS OF THE
STATE OF NEW JERSEY
LICENSE NUMBER 11863
DATE MAY 8, 2025

PRELIMINARY NOT FOR CONSTRUCTION
THIS DOCUMENT IS FOR PRELIMINARY REVIEW ONLY. IT IS NOT
FOR CONSTRUCTION. ANY CHANGES TO THIS DOCUMENT
SHOULD BE MADE BY THE ARCHITECT.

PHASE: DATE ISSUED:
APRIL 9, 2025

SUBMITTALS / REVISIONS

NO.	DATE	DESCRIPTION	BY	CHKD
1	04-09-25	ISSUED FOR PERMIT	MMV	MMV

CHECKED BY: DATE: 04-09-25
DRAWN BY: MMV
SCALE: AS NOTED

DRAWING NAME:

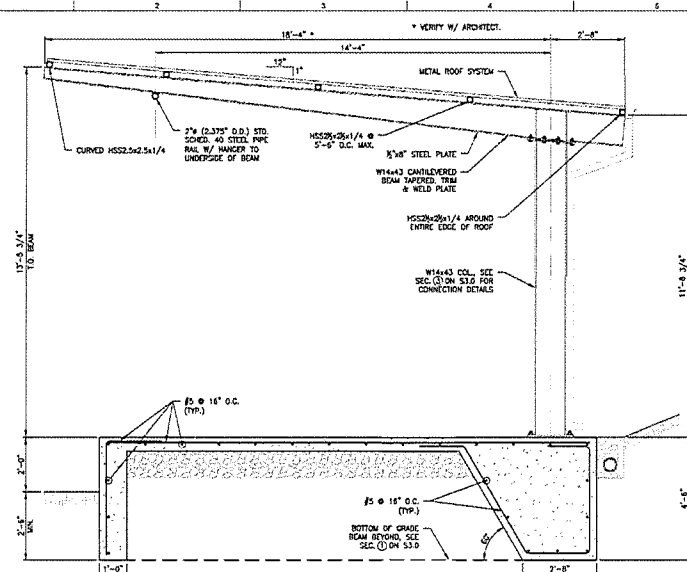
ELEVATION &
SECTIONS

SHEET: 08-326-006

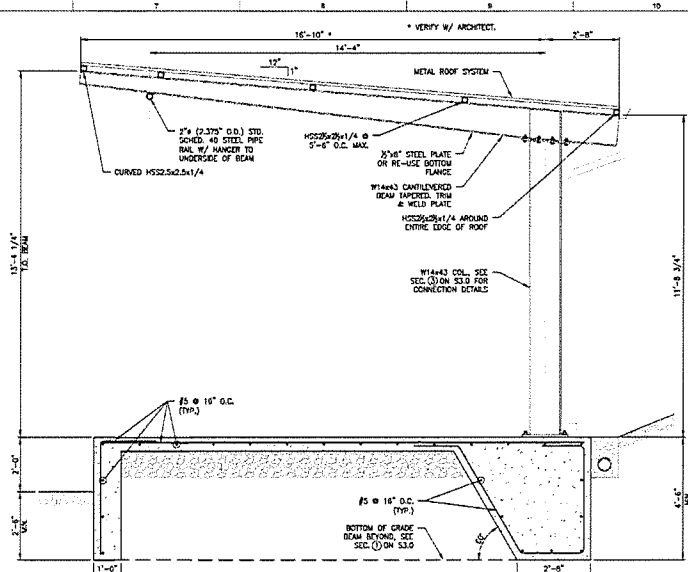
S2.0

SHEET 6 OF 13

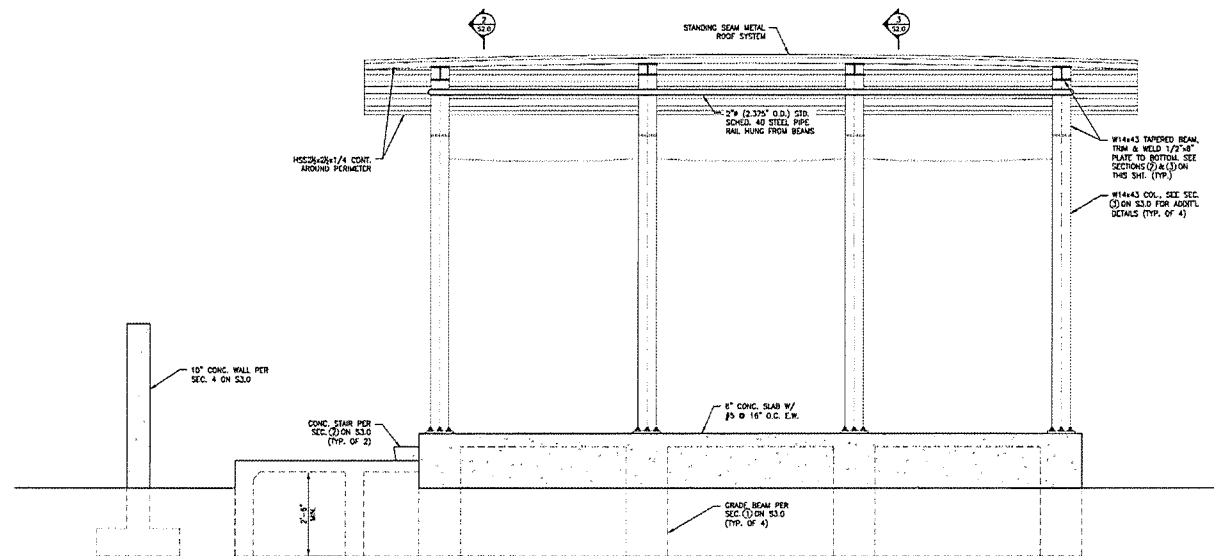
JOB # 2024-008 ARCHITECTS



SECTION - PAVILION
1/2"=1'-0"



SECTION - PAVILION
1/2"=1'-0"



ELEVATION - PAVILION
1/2"=1'-0"

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

Topic:

Community Development Block Grant (CDBG) FY2026 Subrecipient Agreements - *Margi Joe, Community Development Manager and Rachel Paul, Planning and Outreach Coordinator*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

100725_WS_Packet_Subrec_Agrmts.pdf

Description

CDBG FY2026
Subrecipient Agreements



CITY OF HAGERSTOWN, MARYLAND

Department of Housing & Community Development

One East Franklin Street • Hagerstown, MD 21740

E-mail: codecompliance@hagerstownmd.org

Telephone: 301-739-8577, ext. 103 • Website: www.hagerstownmd.org

To: Scott Nicewarner, City Administrator

From: Margi Joe, Community Development Manager
Rachel Paul, Planning and Outreach Coordinator

Date: October 3, 2025

RE: **Approval of Community Development Block Grant (CDBG) Public Service Subrecipient Agreements**

Staff will attend the November 14, 2025 Work Session to seek approval for the execution of subrecipient agreements for the organizations that will receive CDBG Public Service Grant funding.

Background

As presented in April 2025, the Citizen Advisory Committee recommended ten applicants for funding under the Public Service Grant Program. The list of organizations and their recommended award amounts is attached. These awards are included in the FY26 CDBG Annual Action Plan, which was approved by the Mayor and City Council on August 12, 2025, and received HUD approval on September 17, 2025.

HUD permits Entitlement Communities to allocate up to fifteen percent (15%) of the City's annual funding for non-housing public service organizations that support community development activities such as neighborhood revitalization, economic development, and community facilities and services. In addition, two housing-based service organizations were also approved to receive funding as subrecipients.

Staff were provided a total not to exceed \$128,000 for the non-housing public service grant program, and as reviewed during the April 8, 2025 Work Session the Citizen Advisory Committee allocated this funding accordingly to the recommended awardees.

Staff requests a vote of approval for the resolution authorizing execution of the subrecipient agreements at the Special Session on October 21, 2025.

Attachments: Public Service Grant Recommended Allocations
FY26 Subrecipient Grant Agreements
Draft Motion and Resolution

c. Amanda Gregg, Chief Housing & Community Development Officer
Michelle Hepburn, Chief Financial Officer
Brooke Garver, Accounting & Budget Manager

Proposed Funding --FY26 CDBG Public Service Grants

Applicant - Non Housing Based	Program Name	Award Funding	
HARC	Micah's Backpack	\$	14,800
Girls' Inc.	Kids' Café	\$	11,800
Horizon Goodwill	Breakfast Outreach & Homeless Resource Center	\$	9,800
Literacy Council	Tutors Needed	\$	5,800
REACH	Bridge to Change	\$	19,800
America's Hauling for Hope	Helping Hands Senior Outreach	\$	11,800
TruNorth Company	Hagerstown Area Recovery Transportation	\$	19,800
United Way of Washington County	Ride United Network - Transportation Solution	\$	14,800
Community Free Clinic	Healthy Equity	\$	9,800
Cibus Mission	Youth Urban Farm & Fix-It-Keep-It Bike Repair Program	\$	9,800
Funding Total:			\$128,000
Cap Amount:		\$	128,000
Applicant - Housing Based	Program Name	Award Funding	
Wash. Co. Commission on Aging	Elderly Home Repair Project	\$	20,000
Wash. Co. Habitat for Humanity	Home Preservation	\$	20,000
Funding Total:		\$	40,000

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
AMERICA’S HAULING FOR HOPE, INC**

This Agreement is entered into as of ___, October 2025, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **America’s Hauling for Hope, Inc** ("herein called the “SUBRECIPIENT”).

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides nutritious meals for hungry seniors through monthly food orders, complimented with financial literacy training**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **assist the people of our community in need to overcome food insecurity for seniors**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Helping Hands Senior Outreach Program** (hereinafter referred to as the “Program”) **to provide nutritious meals for seniors to bridge the food insecurity gap**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of “Public Service”; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Helping Hands Senior Outreach Program** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Operate the above referenced program which will distribute meals to senior residents of the City of Hagerstown. Specifically, one hundred eighty (180) seniors will be served by the program.
- b. During the program year, operate the program and serve one hundred eighty (180) seniors. Please note that each person should be counted only once.
- c. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.
- d. The Subrecipient will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. 100% of the beneficiaries of the activity must be L/M income people.

To document that America's Hauling for Hope clientele, meet HUD's national objective, the Subrecipient agrees to use the funding to serve seniors within the City of Hagerstown Corporate Boundaries, and to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

The program beneficiaries qualify as L/M Income Limited Clientele as defined in 24 CFR 570.208(a)(2)(i)(A).

3. TIME OF PERFORMANCE

The time of performance shall be 12-months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$11,800.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	<i>BUDGETED AMOUNT</i>
Salaries	\$0
Fringe	\$0
Office Space	\$0
Utilities	\$0
Communications	\$0
Printing	\$1,200
Supplies and Materials	\$400
Mileage & Travel	\$1,200
Audit	\$0
Other (Specify: Food)	\$9,000
TOTAL CDBG	\$11,800

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$11,800.00**. Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement.** Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within thirty **(30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Clint Rawlings
Executive Director
America's Hauling for Hope

10703 Bower Avenue
Address

Williamsport, Maryland 21795
City, State and Zip

Telephone: 240-527-8075

Fax Number: 240-527-8075

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

If Subrecipient expends \$1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, as revised, "Audits of States, Local Governments and Non-Profit Organizations" (as set forth in 24 CFR Part 45). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an auditor to perform OMB Circular A-133 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with OMB requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**25**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the

State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of

HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest,

direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of

lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF
HAGERSTOWN BY AND THROUGH
THE DEPARTMENT OF HOUSING
& COMMUNITY DEVELOPMENT

AMERICA'S HAULING FOR HOPE

By: _____

By: _____

Title: Mayor

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC

CITY ATTORNEY

By: _____

Jason Morton, Sole Member

Date: _____

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
CIBUS MISSION**

This Agreement is entered into as of ___, October 2025, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **Cibus Mission**. ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to provide low- and moderate-income youth enrolled in the program with hands-on workshops teaching practical skills in urban farming and bike repairs;** and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **inspire youth to make positive choices and learn important skills;** and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Youth Urban Farm and Fix-It Keep-It Bike Program** (hereinafter referred to as the "Program") **to provide a 10-week program to promote healthy development, self-sufficiency, and increase transportation access;** and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Youth Urban Farm and Fix-It Keep-It Bike Program** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Provide staffing during the 10-week program period.
- b. Purchase of equipment for its clientele.
- c. During the program year, Cibus Mission will operate the program for ten (10) weeks and serve fifteen (15) individuals during that 10-week period. Please note that each person should be counted only once.
- d. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.
 - a. Ensure that the U.S. Department of Housing and Urban Development's (HUD's) eligibility activity of Public Services/Youth Services 570.201(e) meets national objective standard of low- and moderate-income limited clientele 570.208(a)(2)(i) for the use of CDBG funds by benefitting low- and moderate-income persons [Reference: 570.208(a)(2)(i)(D)] because of the nature and location of the program.

The Subrecipient agrees to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low-and-Moderate Income Persons** national objective.

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$9,800.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	BUDGETED AMOUNT
Salaries	\$0
Fringe	\$0
Office Space	\$0
Utilities	\$0
Communications	\$0
Printing	\$250
Supplies and Materials	\$7,550
Mileage	\$0
Audit	\$0
Other (Specify: Transportation & Gas)	\$2,000
TOTAL CDBG	\$9,800.00

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$9,800.00**. Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement.** Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within **thirty (30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Denise Cintron
Executive Director
Cibus Mission

406 Jonathan St
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 240-513-0759

Fax Number: 240-513-0759

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

If Subrecipient expends \$1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements as set forth in 2 CFR Part 200.501 and 2 CFR Part 200.507. Subrecipients must send a copy of the final report to the City within either 30 days of the report's issuance or nine months after the end of the audit period based on whichever event occurs first. The City also reserves the right to engage an auditor to perform 2 CFR Part 200.501 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with 2 CFR Part 200 requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**25**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the

State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of

HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest,

direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of

lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF
HAGERSTOWN BY AND THROUGH
THE DEPARTMENT OF HOUSING
& COMMUNITY DEVELOPMENT

CIBUS MISSION

By: _____

By: _____

Title: Mayor_____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: _____
Jason Morton, Sole Member

Date: _____

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND THE
WASHINGTON COUNTY COMMISSION ON AGING, INC.**

This Agreement is entered into as of ___, October 2025, and is effective as of July 1, 2025 by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Washington County Commission on Aging, Inc.** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to encourage stable neighborhoods within the City by providing funds **to assist low- and moderate-income seniors homeowners with rehabilitation to their home;** and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is **through assessment, planning , implementation and evaluation, we promote quality aging by meeting the needs, protecting and preserving the dignity of our citizens;** and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Washington County Commission on Aging Elderly Home Repair Program** (hereinafter referred to as the "Program") **to provide funding and assistance to elderly homeowners to make needed repairs to their home, enabling to remain safely in their dwelling;** and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Rehabilitation"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Rehabilitation** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Elderly Home Repair Program** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Provide necessary home repairs at no charge to eligible low- and moderate-income homeowners. A household may receive home repair assistance through this program if:
 - The home is owner-occupied;
 - The property is located in the City of Hagerstown;
 - The entire household's income meets CDBG income guidelines; and,
 - At least one of the homeowners is age 60 or older.
- b. Eligible activities include:
 - a. Labor & Materials
 - b. Replacement of principle fixtures and components of existing structure
 - c. Water & Sewer Connections
 - d. Installation of security devices including smoke detectors
 - e. Water & Energy Conservation
- c. Ineligible activities include:
 - a. landscaping;
 - b. private sidewalks;
 - c. garages and driveways;unless accompanied by other work at the structure.
- d. Public Sidewalks are ineligible without exception.
- e. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.
- f. For purposes of the CDBG Program national objective of low- and moderate-income households, 24 CFR Part 5 definition of annual income shall be used to ensure the eligibility of each client. The documents to support eligibility shall include but is not limited to pay stubs for three consecutive months; two most recent bank statements; and award letter for any other source of income (i.e., Social Security, child support, etc.)
- g. Provide up to \$20,000 in CDBG grant funds to assist approximately five (5) low- and moderate-income elderly homeowners within the City of Hagerstown with rehabilitation activities to their property. Funds will be used to assist with rehabilitation costs. Subrecipient will contact the City for a determination of project eligibility before undertaking rehabilitation activity on a property.

- h. Creating a written proposal, including photo, defining the nature of the problem and the anticipated scope of services prior to beginning the project and submit the scope of services to the City to review. No choice limiting action will be taken until the Environmental Review is complete and the City has provided written proceed to work documentation.
- i. Ensure competitive pricing on all work by obtaining three (3) written quotes for the scope of service from properly licensed contractors. In the event that a reasonable effort has been made to obtain three (3) quotes and two (2) written quotes have been obtained, a refusal to provide a quote may be submitted as the third quote. Contract must be awarded to the lowest price estimate. The subrecipient will ensure all work is done only by licensed professionals and that all contractor(s), subcontractors, or firms are properly licensed by the State of Maryland and the City of Hagerstown;
- j. All work which will be done on a lump sum basis and will be approved by the Community Development Department prior to beginning the project, including all income eligibility verification for each client by providing documentation listed in Section 2.
- k. Overseeing the progress and workmanship during all phases of the repair or replacement work done by the contractor(s), subcontractors, or firms.
- l. Request payment by sending an invoice plus adequate documentation to the City after determining that the repairs have been completed in a workmanlike manner. For each project, the following is the minimum required documentation to be sent to the City in one complete package:
 - i. (1) Cover letter or memo identifying the project and requesting payment of the CDBG funds.
 - ii. (2) For lump sum repairs, a copy of the contractor's or firm's work proposal that was pre-approved by the Community Development Department and an invoice for all of the work done.
 - iii. (3) Original before and after photographs documenting all in-kind repairs.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low-and-Moderate Income Persons** national objective.

The program beneficiaries qualify as L/M Income Limited Clientele as defined in 24 CFR 570.208(a)(2)(i)(A).

3. TIME OF PERFORMANCE

The time of performance shall be 12-months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026. Said time of performance may be extended in writing by the City upon request from the Subrecipient by May 1, 2026. Said extension is to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other CDBG assets, including program income.

4. **BUDGET**

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$20,000** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	<i>BUDGETED AMOUNT</i>
Salaries	\$3,600
Fringe	\$1,400
Office Space	\$0
Utilities	\$0
Communications	\$0
Printing	\$0
Supplies and Materials	\$0
Mileage	\$0
Audit	\$0
Other (Specify: Contractual Services)	\$15,000
TOTAL CDBG	\$20,000

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. **PAYMENT**

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$20,000**. Drawdowns for the payment of eligible expenses shall be made against the line-item budget specified in Section 4 herein and in accordance with performance.

Expenses for general administration shall not be paid under this Agreement. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary

to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within **thirty** (30) business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Sandra Wood
Chief Operating Officer
Washington County
Commission on Aging, Inc.

535 E. Franklin Street
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-790-0275

Fax Number: 301-790-0275

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed

by a duly authorized representative of each organization, and approved by the City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

a. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

b. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

c. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided.

Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

d. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal Law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

e. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

If the Subrecipient expends \$1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements as set forth in 2 CFR Part 200.501 and 2 CFR Part 200.507. Subrecipients must send a copy of the final report to the City within either 30 days of the report's issuance or nine months after the end of the audit period based on whichever event occurs first. The City also reserves the right to engage an auditor to perform 2 CFR Part 200.501 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with 2 CFR Part 200 requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**25**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within thirty (30) days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of each party, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or

conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.
3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF
HAGERSTOWN BY AND THROUGH
THE DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

WASHINGTON COUNTY
COMMISSION ON AGING, INC

By: _____

By: _____

Title: Mayor _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: _____
Jason Morton, Sole Member

Date: _____

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND THE
COMMUNITY FREE CLINIC, INC.**

This Agreement is entered into as of ___, October 2025, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Community Free Clinic, Inc.** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to assist low-and-moderate income people by providing access to healthcare for those without insurance;** and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **provide free medical care to the uninsured citizens of Washington County, MD in order to build a healthier and more productive community;** and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Health Equity Program** (hereinafter referred to as the "Program") **to provide the highest level of medical care following evidenced based practice models including laboratory studies to low-to-moderate income residents;** and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **General Operating Support Program** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Purchase essential laboratory studies as part of evidenced based practice models for patients from Hagerstown Medical Laboratory, Inc. During the program year CFC will operate the program and serve approximately six hundred (600) individuals.
- b. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.
- c. CFC will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. At least 51% of the beneficiaries of the activity must be L/M income people. To the greatest extent feasible, all persons benefitting from this CDBG funded activity must be residents of the City of Hagerstown (i.e. the primary residence of the client is located within the City of Hagerstown corporation limits).

In order to document that clientele meet HUD's national objective, CFC agrees to have clientele complete CDBG Self Certification Forms. The forms have been organized so as to facilitate collection of income statistics which are consistent with HUD's definition of L/M household income adjusted for family size.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$9,800.00** in CDBG funds for eligible costs incurred upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	<i>BUDGETED AMOUNT</i>
Salaries	\$6,160
Fringe	\$0
Professional Services	\$0
Utilities	\$0
Gas and Electric	\$0
Telephone	\$0
Supplies and Materials	\$0
Mileage	\$0
Audit	\$0
Other (Specify: Core operating support)	\$3,640
TOTAL CDBG	\$9,800

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$9,800.00**. Drawdowns for the payment of eligible expenses shall be made against the line-item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement.** Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within **thirty (30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 131

Fax Number: 301-739-3117

SUBRECIPIENT

Jeremy Cantner
Executive Director
Community Free Clinic, Inc.

249 Mill Street
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-733-9234

Fax Number: 301-733-9205

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

If Subrecipient expends \$1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements as set forth in 2 CFR Part 200.501 and 2 CFR Part 200.507. Subrecipients must send a copy of the final report to the City within either 30 days of the report's issuance or nine months after the end of the audit period based on whichever event occurs first. The City also reserves the right to engage an auditor to perform 2 CFR Part 200.501 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with 2 CFR Part 200 requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**25**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies

noted in audit reports must be fully cleared by the Subrecipient within thirty (30) days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of each party, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein, All program

assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR

Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF
HAGERSTOWN BY AND THROUGH
THE DEPARTMENT OF HOUSING
& COMMUNITY DEVELOPMENT

COMMUNITY FREE CLINIC, INC.

By: _____

By: _____

Title: Mayor

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: _____
Jason Morton, Sole Member

Date: _____

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND THE
GIRLS INCORPORATED OF WASHINGTON COUNTY**

This Agreement is entered into as of ___, October 2025, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Girls Incorporated of Washington County**. ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to provide low- and moderate-income students enrolled in the program with a nutritious meal;** and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **inspire all girls to be strong, smart and bold;** and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Girls Incorporated, Kids' Cafe Program** (hereinafter referred to as the "Program") **to provide a nutritional dinner Monday to Thursday from September through May to program participants to promote healthy development and ensure food access;** and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Kids' Café Program** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Provide staffing during the Monday through Thursday dinner hours
- b. Purchase of food and healthy snacks for its clientele.
- c. During the program year, Girls Inc. will operate the program for 40 weeks and serve 200 individuals during that 40-week period. Please note that each person should be counted only once.
- d. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.
- a. Ensure that the U.S. Department of Housing and Urban Development's (HUD's) eligibility activity of Public Services/Youth Services 570.201(e) meets national objective standard of low- and moderate-income limited clientele 570.208(a)(2)(i) for the use of CDBG funds by benefitting low- and moderate-income persons [Reference: 570.208(a)(2)(i)(D)] because of the nature and location of the program.

The Subrecipient agrees to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low-and-Moderate Income Persons** national objective.

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$11,800.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	BUDGETED AMOUNT
Salaries	\$7,700
Fringe	\$600
Office Space	\$0
Utilities	\$0
Communications	\$0
Printing	\$0
Supplies and Materials	\$3,500
Mileage	\$0
Audit	\$0
Other (Specify:)	\$0
Indirect Costs	\$0
Down Payment and Costing Cost Assistance	\$0
TOTAL CDBG	\$11,800.00

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$11,800.00**. Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement.** Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within **thirty (30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Maureen Grove
Executive Director
**Girls Incorporated
of Washington County**

626 Washington Avenue
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-733-5340

Fax Number: 301-733-5430

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the

actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

If Subrecipient expends \$1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements as set forth in 2 CFR Part 200.501 and 2 CFR Part 200.507. Subrecipients must send a copy of the final report to the City within either 30 days of the report's issuance or nine months after the end of the audit period based on whichever event occurs first. The City also reserves the right to engage an auditor to perform 2 CFR Part 200.501 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with 2 CFR Part 200 requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**25**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market

value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.
3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the

planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such

properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF
HAGERSTOWN BY AND THROUGH
THE DEPARTMENT OF HOUSING
& COMMUNITY DEVELOPMENT

GIRLS INC, OF WASHINGTON
COUNTY

By: _____

By: _____

Title: Mayor

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: _____
Jason Morton, Sole Member

Date: _____

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND THE
HABITAT FOR HUMANITY OF WASHINGTON COUNTY**

This Agreement is entered into as of ___, October 2025, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Habitat for Humanity of Washington County** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to encourage stable neighborhoods within the City by providing funds **to assist low-and-moderate income homeowners by providing non-critical and critical emergency home repairs to their dwelling**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is **seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities, and hope**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Home Preservation Program** (hereinafter referred to as the "Program") **to provide funding and assistance to low- and moderate-income homeowners to make needed repairs to their home, enabling to remain in their home, while also contributing to the revitalization of local neighborhoods by completing rehabilitation projects**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Rehabilitation"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Rehabilitation** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Home Preservation Program** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Provide non-critical and critical home repairs in the form of a grant to eligible low- and moderate-income homeowners. A household may receive home repair assistance through this program if:
 - The home is owner-occupied;
 - The property is located in the City of Hagerstown;
 - The entire household's income meets CDBG income guidelines; and,
- b. Eligible activities include:
 - a. Non-critical repairs such as:
 - i. Painting
 - ii. Weather stripping
 - b. Critical repairs such as:
 - i. Roofing
 - ii. HVAC repair/installation
 - c. Labor & Materials
 - d. Replacement of principle fixtures and components of existing structure
 - e. Water & Sewer Connections
 - f. Installation of security devices including smoke detectors
 - g. Water & Energy Conservation
- c. Ineligible activities include: landscaping; private sidewalks; garages and driveways; unless accompanied by other work at the structure.
- d. Public Sidewalks are ineligible without exception.
- e. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.
- f. For purposes of the CDBG Program national objective of low- and moderate-income households, 24 CFR Part 5 definition of annual income shall be used to ensure the eligibility of each client. The documents to support eligibility shall include but is not limited to pay stubs for three consecutive months; two most recent bank statements; and award letter for any other source of income (i.e., Social Security, child support, etc.).
- g. Provide up to \$20,000 in CDBG grant funds to assist approximately five (5) low- and moderate income homeowners within the City of Hagerstown with rehabilitation activities to their property. Funds will be used to assist with rehabilitation costs. Subrecipient will contact the

City for a determination of project eligibility before undertaking rehabilitation activity on a property.

- h. Create a written proposal (including photo) defining the nature of the problem and the anticipated scope of services prior to beginning the project and submit the scope of services to the City to review.
- i. No choice limiting action will be taken until an Environmental Review as listed in CFR 58 Part 5 has been submitted to the City for review and the City has provided written proceed to work documentation.
- j. Ensure competitive pricing on all work by obtaining three (3) written quotes for the scope of service from properly licensed contractors. In the event that a reasonable effort has been made to obtain three (3) quotes and two (2) written quotes have been obtained, a refusal to provide a quote may be submitted as the third quote. Contract must be awarded to the lowest price estimate. The subrecipient will ensure all work is done only by licensed professionals and that all contractor(s), subcontractors, or firms are properly licensed by the State of Maryland and the City of Hagerstown.
- k. All work will be done on a lump sum basis and will be approved by the Department of Community and Housing Development prior to beginning the project, including all income eligibility verification for each client by providing documentation listed in Section 1 Part f.
- l. Overseeing the progress and workmanship during all phases of the repair or replacement work done by the contractor(s), subcontractors, or firms.
- m. Request payment by sending an invoice plus adequate documentation to the City after determining that the repairs have been completed in a workmanlike manner. For each project, the following is the minimum required documentation to be sent to the City in one complete package:
 - i. Cover letter or memo identifying the project and requesting payment of the CDBG funds.
 - ii. For lump sum repairs, a copy of the contractor's or firm's work proposal that was pre-approved by the Community Development Department and an invoice for all of the work done.
 - iii. Original before and after photographs documenting all repairs.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low-and-Moderate Income Persons** national objective.

3. TIME OF PERFORMANCE

The time of performance shall be 12-months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026. Said time of performance may be extended in writing by the City upon request from the Subrecipient by May 1, 2026. Said extension is to cover any additional time period during which the Subrecipient remains in control of CDBG funds or other CDBG assets, including program income.

3. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$20,000.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	BUDGETED AMOUNT
Salaries	\$0
Fringe	\$0
Office Space	\$0
Utilities	\$0
Communications	\$0
Printing	\$0
Supplies and Materials	\$4,000
Mileage	\$0
Audit	\$0
Other (Equipment Rental)	\$3,600
Professional Services	\$6,000
Service Contracts	\$6,400
TOTAL CDBG	\$20,000.00

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

4. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$20,000.00**. Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance.

Expenses for general administration shall not be paid under this Agreement. Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within **thirty (30)** business days.

5. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

6. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Melanie Watts
Community Impact Coordinator
**Habitat for Humanity
of Washington County**

100 Charles Street
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-791-7701

Fax Number: 301-791-7701

7. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City's

governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

8. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal Law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

3. Audits and Inspections

If Subrecipient expends \$1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements as set forth in 2 CFR Part 200.501 and 2 CFR Part 200.507. Subrecipients must send a copy of the final report to the City within either 30 days of the report's issuance or nine months after the end of the audit period based on whichever event occurs first. The City also reserves the right to engage an auditor to perform 2 CFR Part 200.501 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with 2 CFR Part 200 requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**25**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

9. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition, or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

10. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.
3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.

4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

11. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

12. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

13. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

14. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF
HAGERSTOWN BY AND THROUGH
THE DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

HABITAT FOR HUMANITY OF
WASHINGTON COUNTY

By: _____

By: _____

Title: Mayor _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: _____
Jason Morton, Sole Member

Date: _____

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
WASHINGTON COUNTY COUNCIL OF CHURCHES. DBA HAGERSTOWN AREA
RELIGIOUS COUNCIL**

This Agreement is entered into as of ___, October 2025, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Washington County Council of Churches, dba Hagerstown Area Religious Council (HARC)** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides nutritious meals for hungry youth on the weekends in partnership with the local school district;** and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **assist the people of our community in need to overcome food insecurity for youth;** and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **HARC Micah's Backpack Program** (hereinafter referred to as the "Program") **to provide nutritious meals for school-aged youth to bridge the food insecurity gap on weekends;** and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **HARC Micah's Backpack Program** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Operate the above referenced program which will distribute meals to school-aged youth residents of the City of Hagerstown. Specifically, five hundred individuals will be served by the program (500 individuals aged 5-18).
- b. During the program year, operate the program and serve five hundred (500) youth. Please note that each person should be counted only once.
- c. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.
- d. HARC will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. 100% of the beneficiaries of the activity must be L/M income people.

To document that HARC's clientele meet HUD's national objective, HARC agrees to use the funding to serve students in schools within the City of Hagerstown Corporate Boundaries. The majority of the population served are designated LMI under the State of Maryland Free and Reduced Meal (FARM) benefit designation.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$14,800.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	BUDGETED AMOUNT
Salaries	\$700
Fringe	\$0
Office Space	\$0
Utilities	\$0
Communications	\$0
Printing	\$0
Supplies and Materials	\$0
Mileage	\$0
Audit	\$0
Other (Specify: Food for children)	\$14,100
TOTAL CDBG	\$14,800

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$14,800.00**. Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement.** Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within **thirty (30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Kathy Powderly
Executive Director
HARC

130 W. Franklin St
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-842-4272

Fax Number: 301-842-4272

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

If Subrecipient expends \$1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, as revised, "Audits of States, Local Governments and Non-Profit Organizations" (as set forth in 24 CFR Part 45). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an auditor to perform OMB Circular A-133 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with OMB requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**25**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often

as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of

HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest,

direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of

lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF

HAGERSTOWN AREA RELIGIOUS
COUNCIL

HAGERSTOWN ACTINTY BY AND THROUGH
THE DEPARTMENT OF HOUSING & COMMUNITY
DEVELOPMENT

By: _____

By: _____

Title: Mayor _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: _____
Jason Morton, Sole Member

Date: _____

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
HORIZON GOODWILL INDUSTRIES**

This Agreement is entered into as of ___, October 2025, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Horizon Goodwill Industries** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides breakfast three days a week to homeless individuals, complemented by staff from social service agencies to connect clients with substance abuse treatment, SNAP and Medicaid applications, and harm reduction tools**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **assist the people of our community in need to access to food and social support programs to overcome hunger and addiction**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Horizon Goodwill Breakfast Outreach and Homeless Resource Center Program** (hereinafter referred to as the "Program") **to provide meals and access to support services to community members in need**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Horizon Goodwill Breakfast Outreach and Homeless Resource Center Program** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Operate the above referenced program which will provide workforce development and housing to low-to-moderate income residents of the City of Hagerstown. Specifically, five hundred (500) individuals will be served by the program.
- b. During the program year, operate the program and serve five hundred (500) households. Please note that each person should be counted only once.
- c. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.
- d. Hagerstown Goodwill will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. 100% of the beneficiaries of the activity must be L/M income people.

To document that Horizon Goodwill clientele, meet HUD's national objective, the Subrecipient agrees to use the funding to serve homeless citizens within the City of Hagerstown Corporate Boundaries, and to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must met one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate Income Persons** national objective.

The program beneficiaries qualify as L/M Income Limited Clientele as defined in 24 CFR 570.208(a)(2)(i)(A).

3. TIME OF PERFORMANCE

The time of performance shall be 12-months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$9,800.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	<i>BUDGETED AMOUNT</i>
Salaries	\$0
Fringe	\$0
Office Space	\$0
Utilities	\$0
Communications	\$0
Printing	\$0
Supplies and Materials	\$0
Mileage	\$0
Audit	\$0
Other (Specify: Food and Beverage)	\$9,800
TOTAL CDBG	\$9,800

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$9,800.00**. Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement.** Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within **thirty (30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Matthew Schmuck
Director of Human Resources
Horizon Goodwill

14515 Pennsylvania Avenue
Address

Hagerstown, Maryland 21742
City, State and Zip

Telephone: 301-991-7281

Fax Number: 301-733-7330

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

If Subrecipient expends \$1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, as revised, "Audits of States, Local Governments and Non-Profit Organizations" (as set forth in 24 CFR Part 45). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an auditor to perform OMB Circular A-133 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with OMB requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**25**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often

as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of

HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest,

direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of

lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF
HAGERSTOWN BY AND THROUGH
THE DEPARTMENT OF HOUSING & COMMUNITY
DEVELOPMENT

HORIZON GOODWILL

By: _____

By: _____

Title: Mayor _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: _____
Jason Morton, Sole Member

Date: _____

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND THE
LITERACY COUNCIL OF WASHINGTON COUNTY.**

This Agreement is entered into as of ___, October 2025, and is effective as of July 1, 2025 by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and the **Literacy Council of Washington County** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to encourage stable neighborhoods within the City by providing funds **to assist low- and moderate-income adults with education and language services**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is **through assessment, planning, implementation and evaluation, to promote quality learning services by meeting the needs, protecting and preserving the dignity of our citizens**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **'Tutors Needed' Program**, (hereinafter referred to as the "Program") **to provide education assistance to adults in and around the City of Hagerstown to improve communication skills**; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Rehabilitation"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Literacy Council** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Provide adults with free basic education and English language services. An adult may participate through this program if:
 - The adult needs assistance learning English
 - The adult has special needs and desires further educational assistance
 - The adult needs assistance meeting minimum testing scores to enroll into HCC
- b. Eligible activities include:
 - a. Tutoring
 - b. English language classes
- c. Identify potential qualified clients.

For purposes of the CDBG Program national objective of low- and moderate-income households, 24 CFR Part 5 definition of annual income shall be used to ensure the eligibility of each client. The Subrecipient agrees to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant. When possible, the subrecipient will accompany this information with census data showing area eligibility.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low-and-Moderate Income Persons** national objective.

The program beneficiaries qualify as L/M Income Limited Clientele as defined in 24 CFR 570.208(a)(2)(i)(A).

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$5,800.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	BUDGETED AMOUNT
Salaries	\$2,900
Fringe	\$0
Office Space	\$0
Utilities	\$0
Communications/Phone	\$
Printing	\$250
Supplies and Materials	\$500
Office Supplies	\$250
Books	\$500
Other (Specify: Insurance and Subscriptions)	\$1,400
TOTAL CDBG	\$5,800

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$5,800.00**. Drawdowns for the payment of eligible expenses shall be made against the line-item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement.** Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Attn: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within **thirty** (30) business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Laura Gross
Executive Director
**Literacy Council
of Washington County**

15 Randolph Avenue
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-739-4208

Fax Number: 301-739-4208

1. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

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2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

2. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations, or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal Law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

If the Subrecipient expends \$1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements as set forth in 2 CFR Part 200.501 and 2 CFR Part 200.507. Subrecipients must send a copy of the final report to the City within either 30 days of the report's issuance or nine months after the end of the audit period based on whichever event occurs first. The City also reserves the right to engage an auditor to perform 2 CFR Part 200.501 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with 2 CFR Part 200 requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**25**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within thirty (30) days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of each party, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market

value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

3. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

4. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project

be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.

2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.
3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest, direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

5. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

6. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

7. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

8. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF
HAGERSTOWN BY AND THROUGH
THE DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

LITERACY COUNCIL OF
WASHINGTON COUNTY

By: _____

By: _____

Title: Mayor_____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: _____
Jason Morton, Sole Member

Date: _____

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
RELIGIOUS EFFORT TO ASSIST AND CARE FOR THE HOMELESS (REACH)**

This Agreement is entered into as of ___, October 2025, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **Religious Effort to Assist and Care for the Homeless (REACH)** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides homeless clientele with the opportunity to obtain job skills training and case management services for the participant;** and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **support and strengthen the community by preventing and resolving homelessness in Washington County;** and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Bridge to Change Program** (hereinafter referred to as the "Program") **to provide homeless clientele with job skills, life skills, and financial literacy training while providing neighborhood clean-up and beautification;** and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Bridge to Change Program** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Operate the above referenced program which provides job skills, life skills, and financial literacy training to homeless clientele in the City of Hagerstown.
- b. During the program year, operate the program and assist at least 50 individuals. Please note that each person should be counted only once.
- c. The Subrecipient will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. At least 51% of the beneficiaries of the activity must be L/M income people.

For purposes of the CDBG Program national objective of low- and moderate-income households, 24 CFR Part 5 definition of annual income shall be used to ensure the eligibility of each client. The Subrecipient agrees to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant. When possible, the subrecipient will accompany this information with census data showing area eligibility.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low-and-Moderate Income Persons** national objective.

The program beneficiaries qualify as L/M Income Limited Clientele as defined in 24 CFR 570.208(a)(2)(i)(A).

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$19,800.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	<i>BUDGETED AMOUNT</i>
Salaries	\$17,500
Fringe	\$1,500
Office Space	\$0
Utilities	\$0
Communications	\$0
Printing	\$0
Supplies and Materials	\$0
Travel	\$0
Audit	\$0
Other (Specify: Insurance)	\$800
	\$19,800

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$19,800.00**. Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement.** Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within **thirty (30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Jeannie Asbury
Executive Director
REACH

140 W. Franklin Street, Suite 300
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-733-2371 x113

Fax Number: 301-733-2371 x113

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

4. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

If Subrecipient expends \$1,000,000 or more in a year in Federal awards, the Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements as set forth in 2 CFR Part 200.501 and 2 CFR Part 200.507. Subrecipients must send a copy of the final report to the City within either 30 days of the report's issuance or nine months after the end of the audit period based on whichever event occurs first. The City also reserves the right to engage an auditor to perform 2 CFR Part 200.501 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with 2 CFR Part 200 requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**25**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the

State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of

HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest,

direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such

properties may include lead-based paint, Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF
HAGERSTOWN BY AND THROUGH
THE DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

RELIGIOUS EFFORT TO ASSIST
AND CARE FOR THE HOMELESS

By: _____

By: _____

Title: Mayor _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: _____
Jason Morton, Sole Member

Date: _____

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
TRUNORTH COMPANY**

This Agreement is entered into as of ___, October 2025, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **TruNorth Company**, ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides safe, reliable transportation for homeless residents to access services**; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **assist the people of our community in need to overcome transportation insecurity for necessary appointments**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Hagerstown Area Recovery Transportation** (hereinafter referred to as the "Program") **to provide safe rides to access medical appointments, employment, benefits offices, family meetings, recreational outings, and social services** ; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Hagerstown Area Recovery Transportation** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Operate the above referenced program which will provide transportation to residents of the City of Hagerstown. Specifically, the homeless population will be served by the program.
- b. During the program year, operate the program and serve fifty (50) homeless residents. Please note that each person should be counted only once.
- c. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.
- d. The Subrecipient will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. 100% of the beneficiaries of the activity must be L/M income people.

To document the TruNorth clientele, meet HUD's national objective, the Subrecipient agrees to use the funding to serve homeless within the City of Hagerstown Corporate Boundaries, and to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

The program beneficiaries qualify as L/M Income Limited Clientele as defined in 24 CFR 570.208(a)(2)(i)(A).

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$19,800.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	<i>BUDGETED AMOUNT</i>
Salaries	\$19,800
Fringe	\$0
Office Space	\$0
Utilities	\$0
Communications	\$0
Printing	\$0
Supplies and Materials	\$0
Mileage	\$0
Professional Services	\$0
Other (Specify:)	\$0
TOTAL CDBG	\$19,800

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$19,800.00**. Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement.** Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within thirty **(30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

William Johns
Director
TruNorth Company

17337 W. Washington St
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 240-997-3173

Fax Number:

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

If Subrecipient expends \$1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, as revised, "Audits of States, Local Governments and Non-Profit Organizations" (as set forth in 24 CFR Part 45). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an auditor to perform OMB Circular A-133 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with OMB requirements. This grant is made pursuant to and is identified as follows:

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2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
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All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the

State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

2. Progress Reports

At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

D. Procurement

1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of

HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest,

direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of

lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF
HAGERSTOWN BY AND THROUGH
THE DEPARTMENT OF HOUSING
& COMMUNITY DEVELOPMENT

TRUNORTH COMPANY

By: _____

By: _____

Title: Mayor

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC

CITY ATTORNEY

By: _____

Jason Morton, Sole Member

Date: _____

**SUBRECIPIENT AGREEMENT
BETWEEN THE CITY OF HAGERSTOWN
AND
UNITED WAY OF WASHINGTON COUNTY, MD, INC**

This Agreement is entered into as of ___, October 2025, by and between the CITY OF HAGERSTOWN, a body corporate and political subdivision of the State of Maryland, acting by and through the DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (herein called the "CITY"), and **United Way of Washington County, MD, Inc** ("herein called the "SUBRECIPIENT").

WHEREAS, Congress in passing the Housing and Community Development Act of 1974, as amended, has placed an emphasis on the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income and has developed a system of block grants to aid in such purposes; and

WHEREAS, the CITY has applied for and received such a block grant, desires to conduct a program to benefit low- to moderate- income residents within the City by providing funds **to support a program which provides safe, reliable transportation to low-to-moderate income persons** ; and

WHEREAS, the SUBRECIPIENT is a private non-profit corporation incorporated in the State of Maryland whose mission is to **assist the people of our community in need to overcome transportation insecurity for necessary appointments**; and

WHEREAS, the SUBRECIPIENT has been selected by the CITY to receive CDBG funds and administer the **Ride United Network (RUN) Transportation Solutions Program** (hereinafter referred to as the "Program") **to provide safe rides to access medical appointments, employment, educational activities, food, and legal services** ; and

WHEREAS, the services provided by the SUBRECIPIENT are consistent with the Community Development Block Grant Program (hereinafter referred to as "CDBG") Eligible Activity of "Public Service"; and

WHEREAS, the SUBRECIPIENT further agrees to develop and retain sufficient documentation, as described herein below, to clearly support the CDBG eligible **Public Service** activity for each instance of assistance provided by the SUBRECIPIENT; and

WHEREAS, the parties hereto have duly executed this SUBRECIPIENT Agreement for the expenditure of CDBG funds.

NOW, THEREFORE, it is agreed between the parties hereto that:

1. SCOPE OF SERVICE

The Subrecipient will be responsible for administering a CDBG-funded **Ride United Network (RUN) Transportation Solutions Program** in a manner satisfactory to the City and consistent with any standards required as a condition of providing CDBG funds. Such program shall include the following activities eligible under the CDBG Program:

- a. Operate the above referenced program which will provide transportation to residents of the City of Hagerstown.
- b. During the program year, operate the program and serve forty (40) residents. Please note that each person should be counted only once.
- c. Identify potential qualified clients. Collect and maintain data on household income in order to determine a client's eligibility for assistance under the Program.
- d. The Subrecipient will ensure that its use of the funds will meet the U. S. Department of Housing and Urban Development's (HUD's) national objective for the use of CDBG funds by benefitting low and moderate (L/M) income persons through a limited clientele activity. An L/M income limited clientele activity is one which provides benefits to a specific group of persons rather than everyone in an area. 100% of the beneficiaries of the activity must be L/M income people.

To document the United Way of Washington clientele, meet HUD's national objective, the Subrecipient agrees to use the funding to serve eligible populations within the City of Hagerstown Corporate Boundaries, and to complete forms in Appendix C, Part 1 which have been organized to facilitate collection of race and ethnicity data for each participant.

2. NATIONAL OBJECTIVE

All activities funded with CDBG funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; or aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208

The CITY has determined that the Program carried out under this Agreement will meet the **Benefit Low- and Moderate-Income Persons** national objective.

3. TIME OF PERFORMANCE

The time of performance shall be 12 months beginning on the 1st day of July, 2025 and ending on 30th day of June, 2026.

4. BUDGET

The City shall reimburse the Subrecipient its allowable costs for the services identified in this Agreement not to exceed **\$14,800.00** in CDBG funds for eligible incurred costs upon presentation of properly executed reimbursement forms as provided and approved by the City. Funding under this Agreement shall cover the Program costs.

<i>PROGRAM BUDGET LINE ITEM</i>	<i>BUDGETED AMOUNT</i>
Salaries	\$1,800
Fringe	\$0
Office Space	\$0
Utilities	\$0
Communications	\$0
Printing	\$0
Supplies and Materials	\$0
Mileage	\$0
Professional Services	\$0
Other (Specify: Contractual Services for rides)	\$13,000
TOTAL CDBG	\$14,800

Such reimbursement shall constitute full and complete payment by the City under this Agreement. Allowable costs shall mean those necessary and proper costs identified in the Subrecipient's application and budget and approved by the City unless any or all such costs are disallowed by the City or HUD.

Any reimbursement made under this Agreement must comply with the applicable requirements or 24 CFR Part 85. The Subrecipient may not request disbursement of funds under this Agreement until the funds are needed for payment of allowable costs.

The City may require a more detailed budget breakdown, and the Subrecipient will provide such supplementary budget information in a timely fashion in the form and content prescribed by the City. Any amendments to this Agreement's Budget must first be determined by the City as consistent with its CDBG contract and then approved in writing by the City.

5. PAYMENT

It is expressly understood that the total amount to be paid by the CITY under this Agreement shall not exceed **\$14,800.00**. Drawdowns for the payment of eligible expenses shall be made against the line item budget specified in Section 4 herein and in accordance with performance. **Expenses for general administration shall not be paid under this Agreement.** Claims for reimbursement will not be submitted in excess of actual, immediate cash requirements necessary to carry out the purposes of this Agreement. Funds available under this Agreement will be utilized to supplement rather than supplant funds otherwise available.

Reimbursement request must be mailed to: Margi Joe, Community Development Manager, Community Development Department, 14 N Potomac Street – Suite 200a, Hagerstown, Maryland, 21740. Payments shall be made within thirty **(30)** business days.

6. PERFORMANCE MONITORING

The City will monitor the performance of the Subrecipient by tracking **program** progress, reviewing payment requests for applicable costs, overseeing compliance with CDBG requirements, and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the City will constitute noncompliance with this Agreement.

If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the City, contract suspension or termination procedures will be initiated.

7. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individual in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communications and details concerning this Agreement shall be directed to the following contract representatives:

CITY

Margi Joe
Community Development Manager
City of Hagerstown

14 N. Potomac Street
Address

Hagerstown, Maryland, 21740
City, State and Zip

Telephone: 301-739-8577 ext. 134

Fax Number: 301-739-3117

SUBRECIPIENT

Heather Guessford
President and CEO
**United Way of Washington
County, MD, Inc**

83 W. Washington St
Address

Hagerstown, Maryland 21740
City, State and Zip

Telephone: 301-739-8200

Fax Number:

8. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements of Title 24 of the Code of Federal regulations, Part 570 (the HUD regulations concerning CDBG) including subpart K of these regulations, except that the Subrecipient does not assume the City's environmental responsibilities described in 24 CFR 570.604 and the Subrecipient does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or will be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The City will be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient will hold harmless, defend and indemnify the City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient will provide Workers' Compensation Insurance Coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The Subrecipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum will purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City.

F. Funding Source Recognition

The Subrecipient will insure recognition of the roles of the City in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the Subrecipient will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

G. Amendments

The City or Subrecipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the

City's governing body. Such amendments will not invalidate this Agreement, nor relieve or release the City or Subrecipient from its obligations under this Agreement.

The City may, in its discretion, amend this Agreement to conform with Federal, state or local governmental guidelines, policies and available funding amount, or for other reasons. If such amendments result in a change in the funding, scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City and Subrecipient.

Notwithstanding the prior two subparagraphs, the parties may agree to minor amendments to this Agreement, which are executed in writing, signed by a duly authorized representative of each organization, and approved by the Grantee's staff.

H. Suspension or Termination

In accordance with 24 CFR 85.43, the City may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the City of reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the City or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

9. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate

internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The Subrecipient will administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.

B. Documentation and Record Keeping

1. Records to Be Maintained

The Subrecipient will maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records will include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the civil rights components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28;
- g. Labor standards records required to document compliance with the Davis Bacon Act, the provisions of the Contract Work Hours and Safety Standards Act, and all other applicable Federal, state and local laws and regulations applicable to CDBG-funded construction projects; and
- h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Access to Records and Retention

All such records and all other records pertinent to this Agreement and work undertaken under this Agreement will be retained by the Subrecipient for a period of four years. The retention period begins on the date of the submission of the City's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues or the expiration of the four-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address income level or other basis for determining eligibility and description of services provided. Such information shall be made available to City monitors or their designees, HUD or other authorized representatives for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Subrecipient's responsibilities with respect to services provided under this Agreement, is prohibited by **State or Federal law** unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Closeouts

The Subrecipient's obligation to the City shall not end until all closeout requirements are completed. Activities during the closeout period shall include, but are not limited to, making final payments, disposing of program assets (including the return of all unused materials, equipment, program income balances and accounts receivable to the City), and determining the custodian ship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income,

6. Audits and Inspections

If Subrecipient expends \$1,000,000 or more in a year in Federal awards, Subrecipient shall have a single or program-specific audit conducted for that year in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, as revised, "Audits of States, Local Governments and Non-Profit Organizations" (as set forth in 24 CFR Part 45). Subrecipient must send a copy of the final report to the City within the earlier of 30 days of the report's issuance or nine months after the end of the audit period. The City also reserves the right to engage an auditor to perform OMB Circular A-133 audits on the Subrecipient. Furthermore, the City must approve any independent auditor engaged to assure that the auditor is qualified and meets Government Accounting Office Standards and evaluate the scope of the audit to ensure compliance with OMB requirements. This grant is made pursuant to and is identified as follows:

1. Federal Grant Title: Community Development Block Grant
2. Catalog of Federal Domestic Assistance Number (CFDA): 14.218
3. Federal and/or State Identification Numbers: B-**25**-MC-24-0012

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the City, HUD, and duly authorized officials of the

State and federal government, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient.

Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

C. Reporting

1. Program Income

The Subrecipient will report annually all program income [as defined at 24 CFR 570.500(a)] generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by the Subrecipient will comply with the requirements set forth at 24 CFR 570.504. The Subrecipient may use such income during the contract period for activities permitted under this Agreement and shall reduce request for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the City at the end of the contract period. Any interest earned on cash advances from the U.S Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City.

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At such times and in such forms as HUD or the City may require, there shall be furnished to HUD or the City such statements, records, reports, data and information as HUD or the City may request pertaining to matters covered by this Agreement. Specifically, the City shall require Subrecipient to submit quarterly reports which shall include a narrative of program activities, a description of the services provided, number of clients that have applied for, participated in or benefited from the services and relevant characteristics of the client population (age, gender, income, race, ethnicity and gender of single-headed households), performance standard outcomes, equal employment opportunity reports, applicable MBE/WBE requirements and applicable reporting forms attached hereto as **Appendix C, Part I** and incorporated herein by reference.

Said quarterly reports shall be submitted in a timely fashion (within 15 days of the end of each calendar quarter) and subject to the approval of the City prior to reimbursement of Subrecipient as set forth hereinabove. The City and Subrecipient reserve the mutual right to publish and/or make public, with the consent of both parties, the reports or other results of services under this Agreement.

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1. Compliance

The Subrecipient shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise within this Agreement, the Subrecipient shall procure all materials, property or services in accordance with the requirements of 24 CFR 84.40-48.

3. Travel

The Subrecipient shall request written approval from the City for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement will be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient will transfer to the City any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 will be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years after the contract between Subrecipient and the CITY is closed. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for this 10-year period of time, the Subrecipient will pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property after the CDBG program's approval. Such payment will constitute program income to the City. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period.
3. In cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds will be program income (prorated to reflect the extent to which funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement will be (a) transferred to the City for the CDBG program or (b) retained after compensating the City [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

10. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Subrecipient agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606(d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with applicable City ordinance, resolutions and policies concerning the displacement of persons from their residences.

11. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with **local and state civil rights ordinances** and with Title VI of the Civil Rights Act of 1964 as amended, and Title VII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the American and Disabilities Act of 1990, the Age Discrimination act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Subrecipient agrees to comply with the nondiscrimination in employment and contracting opportunities laws, regulation and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable nondiscrimination provisions in Section 109 of the HCDA are still applicable.

B. Section 3 of the Housing and Community Development Act of 1968

Compliance in the Provision of Training, Employment, and Business Opportunities:

1. The work to be performed under this agreement is on a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower-income residents of the project area; and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.
2. The parties to this contract will comply with the provisions of said Section 3 and the regulations set forth in 24 CFR 135, and all applicable rules and orders of

HUD and the City issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these provisions.

3. The Subrecipient will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
4. The Subrecipient will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant, or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR Part 135. The Subrecipient will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract, unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
5. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of HUD and the City issued hereunder prior to the execution of the contract, will be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors, and assigns. Failure to fulfill these requirements will subject the applicant, or recipient, its consultants and subcontractors, its successors and assigned to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

C. Conduct

1. Assignability

The Subrecipient will not assign or transfer any interest in this Agreement without the prior written consent of the City thereto; provided, however, that claims for money due or to become due to the Subrecipient from the City under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer will be furnished promptly to the City.

2. Conflict of Interest

No member of the City's governing body and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning or carrying out of the Program, will have any personal financial interest,

direct or indirect, in this agreement; and the Subrecipient will take appropriate steps to assure compliance.

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which includes maintaining a written code or standards of conduct that will govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

The Subrecipient covenants that its employees have no interest and will not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Agreement, no person having such interest will be employed.

3. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

- a. The lower tier contractor certifies, by signing this contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- b. Where the lower tier contractor is unable to certify to any of the statements in this contract, such contractor will attach an explanation to this contract.
- c. The contractor further agrees by signing this contract that it will not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

D. Copyright

If this Agreement results in any copyrightable material or inventions, the City reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

E. Religious Activities

The Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

12. LEAD-BASED PAINT

The Subrecipient agrees that any acquisition, construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint, Such notification shall point out the hazards of

lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applies to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

13. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will nevertheless be in full force and effect.

14. PERFORMANCE WAIVER

The City's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City to exercise or enforce any right or provision will not constitute a waiver of such right or provision.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the City and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior communications and proposals, whether electronic, oral, or written between the City and the Subrecipient with respect to this Agreement.

IN WITNESS WHEREOF, the CITY and the SUBRECIPIENT have executed this agreement as of the date and year last written below.

MAYOR AND CITY COUNCIL OF
HAGERSTOWN BY AND THROUGH
THE DEPARTMENT OF HOUSING
& COMMUNITY DEVELOPMENT

UNITED WAY OF WASHINGTON
COUNTY, MD, INC

By: _____

By: _____

Title: Mayor

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

SALVATORE & MORTON, LLC
CITY ATTORNEY

By: _____
Jason Morton, Sole Member

Date: _____

REQUIRED MOTION

MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Date: October 12, 2025

TOPIC: **RESOLUTION: Approval of City FY2026 Community Development Block Grant (CDBG) Subrecipient Agreements**

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

MOTION: I hereby move for adoption of a Resolution authorizing the execution of twelve subrecipient agreements for the following nonprofit organizations:

HARC	\$	14,800
Girls' Inc.	\$	11,800
Horizon Goodwill	\$	9,800
Literacy Council	\$	5,800
REACH	\$	19,800
America's Hauling for Hope	\$	11,800
TruNorth Company	\$	19,800
United Way of Washington County	\$	14,800
Community Free Clinic	\$	9,800
Cibus Mission	\$	9,800
Total		\$128,000
Wash. Co. Commission on Aging	\$	20,000
Wash. Co. Habitat for Humanity	\$	20,000
Total	\$	40,000

Adoption of the resolution includes \$128,000 in public service grant funding and \$40,000 in housing-based services.

The time of performance for all subrecipients is through June 30, 2026 or the date that all approved funds have been reimbursed, whichever occurs sooner.

DATE OF INTRODUCTION: 10/21/2025

DATE OF PASSAGE: 10/21/2025

EFFECTIVE DATE: 10/21/2025

**RESOLUTION OF THE CITY COUNCIL
OF THE
CITY OF HAGERSTOWN**

**AUTHORIZING THE EXECUTION AND DELIVERY OF
SUBRECIPIENT GRANT AGREEMENTS FOR THE SUPPORT OF
ELIGIBLE PROGRAMS BETWEEN THE
CITY OF HAGERSTOWN AND
VARIOUS NON-PROFIT ENTITIES ENUMERATED WITHIN**

WHEREAS, the City of Hagerstown is an Entitlement Community under the U.S. Department of Housing and Urban Development’s Community Development Block Grant (CDBG) Program; and

WHEREAS, the City receives annual CDBG funding to support eligible community development activities the benefit low- and moderate-income residents; and

WHEREAS, the Mayor and City Council approved the Fiscal Year 2026 CDBG Annual Action Plan on August 12, 2025, which was subsequently approved by HUD on September 17, 2025; and

WHEREAS, each of the below enumerated Subrecipients has been recommended to carry out eligible public service and housing activities consistent with federal CDBG regulations and local community development priorities:

1. Hagerstown Area Religious Council;
2. Girls’ Inc.;
3. Horizon Goodwill;
4. Literacy Council;
5. Religious Efforts to Assist and Care for the Homeless (REACH);
6. America’s Hauling for Hope;
7. TruNorth Company;
8. United Way of Washington County;
9. Community Free Clinic;
10. Cibus Mission;
11. Washington County Commission on Aging;
12. Washington County Habitat for Humanity

WHEREAS, it is necessary for the City to execute and deliver grant agreements with these Subrecipient organizations in order to implement the approved programs; and

WHEREAS, each Subrecipient shall be responsible for operating in the Program in a manner satisfactory to the City and consistent with any standards required as a condition of the allocation of CDBG funds;

WHEREAS, the CDBG Grant Agreement funds may be passed through to each Subrecipient, which is located in Hagerstown, Maryland or in the immediate vicinity and which serves citizens in Hagerstown, Maryland, and which is eligible for CDBG grant funds; and

WHEREAS, the City shall pass through grant funds to Subrecipient subject to the terms and conditions of the City’s receipt of CDBG funding and all other applicable federal law and regulations; and

WHEREAS, as to each Subrecipient, attached hereto and incorporated herein is a Subrecipient Grant Agreement between the City and each Subrecipient to pass through funds for Program activities by Subrecipient; and

WHEREAS, the Mayor and City Council have determined that it is in the best interest of the City and citizenry to enter into each of the attached Subrecipient Grant Agreements, as may be amended as necessitated by any requirements of the State of Maryland or U.S. Federal Government for the Programs.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HAGERSTOWN AS ITS DULY CONSTITUTED LEGISLATIVE BODY AS FOLLOWS:

1. That the foregoing recitals are incorporated herein as if fully set forth.
2. That the City of Hagerstown be and is hereby authorized to execute the Subrecipient Grant Agreements (as may be amended as necessitated by any requirements of the State of Maryland or U.S. Federal Government for the Programs) with the above-named eligible subrecipients, copies of which are attached hereto as to each Subrecipient, and City staff be and are hereby authorized to execute such other documents as are necessary to effectuate the same.

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

By: _____
William B. McIntire, Mayor

Date of Introduction: October 21, 2025
Date of Passage: October 21, 2025
Effective Date: October 21, 2025

PREPARED BY:
SALVATORE & MORTON, LLC
CITY ATTORNEYS

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

Topic:

Review of Code Amendments – Chapter 79, Curfew – *Chief Paul “Joey” Kifer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Memo_-_Amendments_to_City_Code_-_Chapter_79_-_
_Curfew_for_Juveniles.pdf

Description

Memo: Code Amendments
Curfew Juveniles



CITY OF HAGERSTOWN MARYLAND

DEPARTMENT OF POLICE
50 N. Burhans Blvd.

Non-Emergency 301-790-3700
Emergency 240-313-4345
Fax 301-733-5513

October 3, 2025

To: Scott Nicewarner,
City Administrator

From: Paul J. Kifer, *PK*
Chief of Police

Ref: Revised Ordinance – Curfew for Juveniles

Attached is a draft revised ordinance relating to the Curfew for Juveniles for Mayor and Council review. The revisions incorporate the Mayor and Council discussion on September 16, 2025.

Thank you.



Chapter 79

CURFEW FOR JUVENILES

§ 79-1.	Definitions.	§ 79-4.	Parent responsibility.
§ 79-2.	Curfew for juveniles.	§ 79-5.	Violations and penalties.
§ 79-3.	Exceptions and defenses.		

[HISTORY: Adopted by the Mayor and Council of the City of Hagerstown 10-28-2003 by Ord. No. 2003-37.¹ Amendments noted where applicable.]

§ 79-1. Definitions.

For the purpose of this chapter, the following terms, phrases, words and their derivations shall have the meanings given herein.

CITY — The City of Hagerstown, Maryland, with administrative offices at 1 East Franklin Street, City Hall, Hagerstown, Maryland 21740.

EMERGENCY — An unforeseen circumstance or combination of circumstances that requires immediate action. This term includes but is not limited to a fire, natural disaster, automobile accident or any situation requiring immediate action to prevent serious bodily injury, loss of life or extensive property damage.

JUVENILE — For the purposes of this chapter, a juvenile is any unmarried, unemancipated person under 17 years of age. **[Amended 10-28-2014 by Ord. No. O-14-21]**

PARENT — Any person having ~~physical or legal~~ legal custody of a juvenile as a ~~biological, natural~~ step- or adoptive parent, a legal guardian, a person over the age of 18 who stands in loco parentis or a person to whom ~~physica~~ legal custody has been ~~awarded~~ given by court order.

PUBLIC PLACE — Any place to which the public or a substantial group of the public has access and includes, but is not limited to, streets, sidewalks, alleys, common areas of schools, shopping centers, parking lots, ~~parks~~, playgrounds, transportation facilities, theaters, restaurants, ~~convenience stores~~, shops, bowling alleys, taverns, cafes, arcades and similar areas that are open to the use of the public.

§ 79-2. Curfew for juveniles. **[Amended 10-28-2014 by Ord. No. O-14-21]**

It shall be unlawful, unless otherwise provided herein, for any juvenile to be or remain in or upon a public place within the City of Hagerstown during the following periods:

~~Every day of the week from 11:00 p.m. on that day until 5:00 a.m. on the following day.~~

~~A. 10:00 p.m. on any Sunday, Monday, Tuesday, Wednesday or Thursday until 5:00 a.m. of the following day; and~~

~~B. 11:00 p.m. on any Friday or Saturday until 5:00 a.m. the following day.~~

~~Change this section to read, every day, 10:00 p.m. until 5:00 a.m.~~

§ 79-3. Exceptions and defenses.

The following shall constitute valid exceptions and defenses to the operation of this chapter:

1. Editor's Note: This ordinance also repealed former Ch. 79, Curfew for Juveniles, adopted 9-26-1995 by Ord. No. 1995-31.

- A. When a juvenile is accompanied by the juvenile's parent.
- B. When a juvenile is attending or returning home by a direct route without any unnecessary detour or stop from a City event, a school activity or an activity of a religious or civic organization, or of a place of public entertainment, such as a movie, play or sporting event.
- C. When the juvenile is engaged in a legal employment activity or is returning from or going to his or her place of employment by a direct route.
- D. When a juvenile, with consent of his or her parent, is engaged in interstate travel through the City, or beginning or ending in the City.
- E. When a juvenile is on the property where the juvenile resides, or on the sidewalk abutting the juvenile's residence.
- F. When a juvenile is exercising his or her First Amendment rights protected by the United States Constitution, including the rights of freedom of speech, assembly and the exercise of religion, after providing the Chief of Police with advance written notice of the time, place and manner of the exercise of such rights, signed by the juvenile and his or her parent.
- G. In case of an emergency.

§ 79-4. Parent responsibility.

It shall be unlawful for a parent ~~or guardian having legal custody of a juvenile~~ to knowingly permit the juvenile to remain in any public place in violation of § 79-2 hereof. The term "knowingly" includes actual knowledge and knowledge that a parent should reasonably be expected to have concerning the whereabouts of a juvenile in that parent's care ~~and custody~~.

§ 79-5. Violations and penalties.

- A. Any juvenile who shall violate any of the provisions of this chapter may be charged with having committed a misdemeanor, punishable by a fine not to exceed \$500, and be prosecuted in accordance with Maryland Law. [Amended 9-15-2015 by Ord. No. O-15-24]
- B. Any individual who violates § 79-4 hereof shall be guilty of a municipal infraction and shall be subject to a fine in the ~~following~~ prepayable amount ~~of \$500.00~~: [Amended 10-28-2014 by Ord. No. O-14-21]

~~(1) First offense: written warning.~~

~~(2) Second offense: fine of \$100.~~

~~(3) Third offense: fine of \$250.~~

~~(4) Fourth or subsequent offense: fine of \$500.~~

~~Change this section to read, \$500.00~~

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

Topic:

Environmental Design of Various 'Hot Spots' – *Mayor and City Council Discussion*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

“Business Watch” Program – *Mayor and City Council Discussion*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

Establishing of First-Time Business Owner Forum – *Mayor and City Council Discussion*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

Trick-or-Treat - Scott Nicewarner, City Administrator

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

T-o-T_2025_MC_Memo.pdf

Description

Memo: Trick or Treat



CITY OF HAGERSTOWN, MARYLAND

Scott Nicewarner
City Administrator

One East Franklin Street • Hagerstown, MD 21740

E-mail: snicewarner@hagerstownmd.org

Telephone: 301.766.4168 • TDD: 301.797.6617 • Website: www.hagerstownmd.org

October 7, 2025

TO: Mayor and Council

FROM: Scott Nicewarner, City Administrator

RE: 2025 Trick-or-Treat

I will be providing the Mayor and City Council with a request to continue the date and responsibilities of Trick-or-Treat in the City of Hagerstown as has been in place for the past four years.

*"It is suggested that families Trick-or-Treat this year on **Friday, October 31 from 6:00 PM to 8:00 PM** in order to give your friends, motorists and public safety an idea when to expect pedestrians and visitors at their door. Participation and scheduling is entirely up to each family. Since Trick-or-Treat will not be scheduled or managed by the City, the City would not re-schedule or suggest a "rain date" in the event of inclement weather. Moreover, it is perfectly acceptable for folks to opt-out and not participate. We ask that each family determine what is best for them."*

This statement places the desire to participate, or not to participate, in Trick-or-Treat activities on October 31st entirely with the family. The understanding is that all City departments will be more aware that the date/time may be used for neighborhood participation in Trick-or-Treat in the City. **However, whether it rains, snows, sleets or hails the City will not be responsible for cancellation or rescheduling of the event.**

