TOWN OF MILLINGTON

RESOLUTION 2026-08 OF THE COUNCIL OF THE TOWN OF MILLINGTON APPROVING A MARYLAND COMMUNITY DEVELOPMENT BLOCK GRANT SUBRECIPIENT AGREEMENT BETWEEN THE TOWN OF MILLINGTON AND HOME PARTNERSHIP OF CECIL COUNTY, INC. FOR THE MILLINGTON SENIOR VILLAGE PROJECT

WHEREAS, the Town of Millington (the "Town") acquired certain real property from the Commissioners of Kent County, Maryland via deed dated the 1st day of November, 2022 recorded among the Land Records of Kent County, Maryland, which property included 6.505 acres of land known as parcels 1 and 3 on the Plat entitled "Subdivision of the Lands of the Town of Millington" recorded in the Land Record of Kent County, Maryland at Liber 1289, folio 63 (the "Property"); and

WHEREAS, when the Town acquired the Property with the intent that the Property would be developed with age and income restricted senior housing units; and

WHEREAS, Millington Senior Village, LLC is entering into a 75 year Ground Lease with the Town for the Property in order to construct 51 one-story age and income restricted housing units thereon (the "Project"); and

WHEREAS, to assist with the funding of the Project, the Town obtained a Maryland Community Development Block Grant through the Maryland Department of Housing and Community Services in the amount of $800,000.00 to be used for the construction of horizontal infrastructure as set forth in the Town of Millington's application for the grant (the "Grant"); and

WHEREAS, subsequent to obtaining the Grant and the expenditure of the Grant funds, the Town and DHCD amended the Grant to increase the amount of the Grant by $800,000, which funds are to be used for roads and sidewalks to be constructed by David A. Bramble, Inc. or such other company to receive a contract for the work that is competitively bid; and

WHEREAS, Home Partnership of Cecil County, Inc. is

WHEREAS, DHCD requires that the Town enter into a subrecipient agreement with Home Partnership of Cecil County, Inc. for the pass through of the CDBG funds.

NOW, THEREFORE BE IT RESOLVED by the Council of the Town of Millington, that the Subrecipient Agreement between the Town and Home Partnership of Cecil County, Inc. attached hereto as Exhibit A is hereby approved and Mayor Kevin Hemstock is authorized to sign such Subrecipient Agreement on behalf of the Town of Millington, provided that it is in substantially the same form as that attached hereto.

TOWN OF MILLINGTON

PASSED BY THE COUNCIL OF THE TOWN OF MILLINGTON THIS 15th DAY OF SEPTEMBER, 2026.

ATTEST:

Elizabeth Jo Manning, Town Administrator

SEAL

THE TOWN OF MILLINGTON

Kevin Hemstock, Mayor

John Amado, Jr., Council

ABSENT

Shweta Dutta Sethi, Council

ABSENT

Zita Seals, Council

Wayne Starkey, Council

Maryland Community Development Block Grant

Subrecipient Agreement

This Subrecipient Agreement dated this 15th day of September, 2026 (the "Agreement"), this by and between the TOWN OF MILLINGTON, a municipality of the State of Maryland (the "Recipient") and HOME PARTNERSHIP OF CECIL COUNTY, INC., a Maryland nonstock corporation (the "Subrecipient") .

WHEREAS, the Recipient has entered into an agreement (the CDBG Grant Agreement") with the Department of Housing and Community Development, a principal department of the State of Maryland ("DHCD") for a grant in the amount of $1,600,000 (the "CDBG Grant") under the Community Development Block Grant Program ("CDBG" or the "Program") a federal program under the United States Department of Housing and Urban Development ("HUD") which is administered by DHCD;

WHEREAS, $800,000 of the CDBG Grant is being subgranted by the Recipient to the Subrecipient for the purposes described herein;

WHEREAS, the Program is governed by Title I of the Housing and Community Development Act of 1974, an amended (the "Act") and Subpart I of the regulations of the United States Department of Housing and Urban Development which are set forth in 24 CFR 570 (the CDBG Regulations");

WHEREAS, the CDBG Regulations require, among other things, that where all or a portion of the CDBG Grant will be used by a Subrecipient, there must be a written agreement between a recipient and a Subrecipient regarding the use of such funds; and

WHEREAS, the parties hereto desire to set forth the terms and conditions for use of the proceeds of the CDBG Grant.

NOW, THEREFORE, in consideration of the foregoing, and subject to the conditions contained herein, the Recipient and Subrecipient agree as follows:

1. Incorporation of CDBG Grant Agreement. The Subrecipient has reviewed and understands the provisions of the CDBG Grant Agreement. The terms and conditions of the CDBG Grant Agreement and all Exhibits thereto, (collectively, the "CDBG Grant Agreement"), a copy of which is attached hereto as Attachment A, are hereby incorporated into and made, a part of this Agreement. The Subrecipient agrees to assist the Recipient, to cooperate with the Recipient and to assume responsibility with the Recipient in fulfilling the terms and conditions of the CDBG Grant Agreement.

2. Purpose of Agreement. The purpose of this Agreement is to provide the Subrecipient with funds to carry out the activities described in Exhibit A of the CDBG Agreement (the " Subrecipient Project").

3. Funds Provided. In consideration of the various obligations to be performed by the Subrecipient pursuant to this Agreement, the Recipient agrees to provide Subrecipient with funds in an amount not to exceed $800,000 (the " Subrecipient Grant") subject to the terms and conditions set forth herein.

4. Schedule for Completion. The funded activities related to the Subrecipient Project shall be completed in accordance with the schedule attached marked as Exhibit C of the CDBG Grant Agreement (the "Schedule").

5. Expenditure of Funds.

(a) The proceeds of the Subrecipient Grant shall be expended in accordance with the Subrecipient Project budget marked as Exhibit B of the CDBG Grant Agreement hereto (the "Budget").

(b) The proceeds of the Subrecipient Grant may be used to reimburse the Subrecipient for costs incurred pursuant to the Budget for the activities described in Exhibit A of the CDBG Grant Agreement.

(c) The Recipient, in its discretion, may advance all or a portion of the Subrecipient Grant in the amounts set forth in the Budget to pay for the activities described in Exhibit A of the CDBG Grant Agreement in accordance with CDBG Payment Procedures.

6. Compliance with Federal Regulations.

(a) The Subrecipient/Subrecipient shall undertake the Subrecipient Project in accordance with the Act and the CDBG Regulations.

(b) The Subrecipient shall comply with all of the applicable federal laws, regulations, circulars, and guidelines related to the Program which are set forth in the CDBG Grant Agreement.

7. Disbursement of Subrecipient Grant.

(a) Disbursement of funds under the Subrecipient Grant shall be in the amounts in the Budget and shall be made only for costs which have been determined by the Recipient to have been properly incurred by the Subrecipient.

(b) Requests for disbursements shall be made in the following manner:

- Payment requests will be submitted by Contractor for approval by Present Company, Atwell Engineering, KCI Technologies, Inc., Willow Construction, Inc., Home Partnership of Cecil County, Inc., and Town of Millington.
- Payment request must include receipts, documentation of stored materials, and pictures of site.
- Upon request approval, document will be prepared and submitted to CDBG for reimbursement.
- Upon receipt of disbursement by CDBG, Town of Millington will process a check to Willow Construction, Inc.

8. Records and Reports.

(a) The Subrecipient shall maintain the records related to the Subrecipient Project set forth in the CDBG Grant Agreement attached hereto and made a part hereof in a manner satisfactory to the Recipient. Copies of records must be maintained by the Town of Millington as Recipient.

(b) The Subrecipient shall produce the reports related to the Subrecipient Project set forth in the CDBG Grant Agreement on the dates and which contain the information indicated.

9. Program Income/Loan.

(a) "Program Income" is any income generated as a result of activities supported by the Subrecipient Grant funds.

(b) In the event that Program Income is earned, it must be returned to the Recipient to be returned to DHCD unless there is an approved CDBG Program Income Re-Use Plan approved by DHCD attached hereto and made a part hereof.

(c) The Recipient reserves the right to terminate the Subrecipient's use of Program Income and recapture available balances if there are issues or concerns related to accounting and use. The Subrecipient will be responsible for any repayment required by the Recipient or DHCD for ineligible activities or unallowable expenditures.

10. Term of Agreement. Unless terminated earlier pursuant to Section 11 of this Agreement or upon the mutual agreement of the parties with the consent of DHCD, this Agreement shall remain in full force and in effect until the Subrecipient Project has been completed to the satisfaction of the Recipient, DHCD, and HUD, all reports required by this Agreement, DHCD, or HUD have been submitted and approved, and all outstanding issues between the Recipient and the Subrecipient have been resolved in a manner satisfactory to the Recipient.

11. Default and Remedies.

(a) Any breach of any representation, warranty, covenant, condition, or provision of this Agreement, including failure of the Subrecipient to conduct and complete the activities associated with the Subrecipient Project in a manner satisfactory to the Recipient, shall constitute a default under this Agreement.

(b) The Recipient shall notify the Subrecipient, in writing, of a default under this Agreement. The Subrecipient shall have 15 days from the date of such notice to cure the default in a manner satisfactory to the Recipient. Upon the failure of the Subrecipient to cure the default in a manner satisfactory to the Recipient, the Recipient, in addition to the remedies set forth in the CDBG Grant Agreement, shall have the following remedies:

1) the Subrecipient shall not be entitled to any undisbursed portions of the Subrecipient Grant;

2) the Recipient may, at its option, require the Subrecipient to repay all funds improperly expanded by the Subrecipient; and

3) the Recipient may take all other actions available to it at law or in equity.

12. Reversion of CDBG Assets. Upon termination of this Agreement, the Subrecipient shall:

(a) transfer to the Recipient all undisbursed Agreement Grant funds in the possession of the Subrecipient at the time of termination, including any accounts receivable attributable to the Subrecipient Grant; and

(b) comply with any special conditions related to the Subrecipient Project set forth in the CDBG Grant Agreement hereto.

13. Inspections. The subrecipient shall permit the authorized representatives of the Recipient, DHCD, or HUD to inspect, upon 48 hours' prior notice and during regular business hours, the Subrecipient Project and all records related to the Subrecipient Project.

14. Third Party Beneficiaries. The Recipient and the Subrecipient hereby agree that all representations and warranties contained in this Agreement run to the benefit of DHCD, the State of Maryland (the "State") and HUD. The Recipient and the Subrecipient further agree and acknowledge that DHCD, the State, and HUD shall have the right to request documentation from time to time from the Recipient and/or the Subrecipient and shall be entitled to exercise all of the rights and remedies available to the Recipient against the Subrecipient.

15. No Waiver. No failure or delay by the Recipient to insist upon the strict performance of any term, condition, representation or warranty of this Agreement or to exercise any right, power or remedy shall constitute a waiver of any such term, condition, representation or warranty nor preclude the Recipient, DHCD, the State, or HUD from exercising any such right, power, or remedy at any later time.

16. Survival. All covenants, agreements, representations and warranties made in this Agreement and in any other documents delivered pursuant hereto shall survive closeout of the CDBG Grant and shall continue in full force and effect until the Subrecipient has complied with all terms and conditions specifically for the Subrecipient Project related to the close out of the CDBG Grant Agreement between DHCD and the Recipient

17. Notices. All reports, notices, consents or approvals required under this Agreement shall be in writing and shall be deemed to have been given properly if and when mailed by first class certified mail, return receipt requested, postage prepaid, as follows:

If to Recipient:
The Town of Millington, Maryland
P.O. Box 330
402 Cypress Street
Millington, Maryland 21651
Attn: Town Administrator

With a copy to:
Karen Ruff, Esq.
Levin Ruff, LLC
2007 Tidewater Colony Drive
Annapolis, Maryland 21401

If to Subrecipient:

Home Partnership of Cecil County, Inc.
649 Budleigh Circle
Timonium, Maryland 21093
Attn: Frank Hodgetts, President
Email: ceo@homepartnershipinc.org

Rosen Hoover Sykes Brown P.A.
300 Redland Court, Suite 203
Owings Mills, Maryland 21117
Attn: Daniel E. Sykes
Email: dsykes@rhsblaw.com]

or to such other addresses as the parties above shall have furnished to the other in writing.

18. Modification /Assignment. No portion of this Agreement may be changed, waived or modified except with the written consent of Recipient and the Subrecipient and by a written agreement executed by the parties hereto. This Agreement may not be assigned, in whole or in part, without the prior written consent of DHCD.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

20. Terms Binding. All of the terms, conditions, representations, warranties and covenants of this Agreement shall apply to and be binding upon and inure to the benefit of the Recipient, DHCD, and the State. This Agreement shall be binding upon Subrecipient and any successors.

21. Indemnification. The Subrecipient hereby releases the Recipient, DHCD, and the State from, agrees that the Recipient, DHCD, and the State shall have no liability for, and agrees to protect, indemnify and save harmless the Recipient, DHCD, and the State from and against any liability, suit, action, claim, demand, loss, expense or cost of any kind or nature, including attorneys, fees, incurred by or asserted or imposed against, the Recipient, DHCD, or the State as a result of or in connection with the Subrecipient Project. Any money expanded by the Recipient, DHCD, or the State as a result of such liabilities, suits, motions, claims, demands, losses, expenses or costs, together with interest at a rate not to exceed the maximum interest rate permitted by law and reasonable attorneys fees, shall be immediately due and payable by the Subrecipient to the party who has expended such money upon written notice to the Subrecipient by such party.

22. Further Assurances and Corrective Instruments. The parties hereto agree that they will, from time to time, execute and deliver, or cause to be executed and delivered, after having been provided a reasonable period to review, such amendment hereto and such further instruments as may be required by the Recipient, DHCD, the State, or HUD in their reasonable discretion to comply with any changes to existing or future State or federal regulations, policies, directives, procedures or other requirements or to further the general purposes of this Agreement.

23. Severability. The invalidity of any articles, section, subsection, paragraph, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, subsections, paragraphs, clauses or provisions hereof.

24. Authority. This Agreement has been duly executed and delivered by the Subrecipient and the Recipient, in such manner and form as to comply with all requirements necessary to make this Agreement the valid and legally binding and enforceable act and agreement of the Subrecipient and the Recipient.

25. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

[signature pages follow]

WITNESS our hands and seals, all as of the data first written above.

RECIPIENT:

THE TOWN OF MILLINGTON, MARYLAND,
a public body corporate and
politic organized under the laws of the
State of Maryland

By: _____ (SEAL)
Kevin Hemstock, Mayor

WITNESS/ATTEST

_____

SUBRECIPIENT:

HOME PARTNERSHIP OF CECIL COUNTY, INC.

By: _____ (SEAL)
Frank Hodgetts, President

WITNESS/ATTEST

_____

KH 1378103

LIST OF ATTACHMENTS

Attachment A - CDBG Grant Agreement
Attachment B - CDBG Required Records and Reports
Attachment C - Re-Use Plan for Program Income
Attachment D - Special Terms and Conditions