

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
STRATEGIC DEMOLITION FUND PROGRAM
GRANT AGREEMENT**

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AWARDEE: Smith Island United Incorporated
AWARD ID#: SDF-2025-SmithIsland-00679
PROJECT NAME: Smith Island Demolition and Redevelopment Program

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Strategic Demolition Fund – Program Grant Agreement

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**Exhibit A - SDF-2025-SmithIsland-00679
Project Description, Project Address(es), Additional Information, and
Special Conditions**

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**Exhibit B - SDF-2025-SmithIsland-00679
Project Budget**

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**Exhibit C - SDF-2025-SmithIsland-00679
Project Schedule**

AGREEMENT

IN CONSIDERATION of the Recitals, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the Department and Grantee agree as follows:

1) Sustainable Community or Eligible Qualified Opportunity Zone Designation.

- a) The Project is located in a geographic area (the "Area") that has been designated as a Sustainable Community under §6-205 of the Act or is in an eligible Qualified Opportunity Zone.
- b) If located in a Sustainable Community, the Project will enhance and support the plan that has been approved by the Smart Growth Subcabinet as a Sustainable Community Plan.

2) Grant.

- a) In consideration of the various obligations to be undertaken by Grantee pursuant to this Agreement, the Department agrees to provide Grantee with funds in the amount of **Fifty Thousand Dollars (\$50,000)** (the "Grant") to be used for the purposes of funding the Strategic Demolition Fund Project (the "Project") described in Section 1 (the "Project Description") of Exhibit A - SDF-2025-SmithIsland-00679 to be carried out at the location(s) set forth in Section 2 (the "Project Address(es)") of Exhibit A - SDF-2025-SmithIsland-00679. Upon request by the Grantee, the Department, in its sole discretion, may allow a modification to the Project Description and/or the Project Address(es) by providing prior written notice to Grantee of such modification.
- b) Grantee agrees to use the Grant only for the approved Project and only in the approved Project addresses within the approved Area. Grantee agrees that it will use the Grant and operate the Project in accordance with the provisions of the Act, the Regulations, the Guide, and this Agreement.
- c) The Project shall not include or support projects for which the principal use of the Project is one of the following types of activities: pawn shops, gun shops, tanning salons, massage parlors, adult video/book shop, adult entertainment facilities, check cashing facilities, gambling facilities, tattoo parlors or liquor stores.
- d) The Application may have included projects other than the Project. The approval of the Application, the Project, and the execution of this Agreement are not to be construed as approval of any other projects described in the Application.
- e) The Grant is subject to and contingent upon the availability and allocation of sufficient State of Maryland (the "State") funds to the Program.

3) Expenditure of Grant Funds.

- a) All Grant funds shall be expended on or before the Completion Date (as defined in Section 4(b) of this Agreement).

- f) On or before the Completion Date, Grantee shall obtain any applicable certifications, licenses, permits, and approvals necessary to operate the Project, and shall otherwise satisfy all requirements necessary to operate the Project.
- 5) Conditions Precedent to Disbursement of the Grant. The Department shall not disburse the Grant until Grantee has complied with the following conditions:
- a) If the Project is subject to review by the Maryland Historical Trust ("MHT"), then MHT or the Department's qualified staff has reviewed the Project for impact on historic properties and determined that the Project will have no adverse effect on historic properties. If MHT or the Department's qualified staff determines that the Project will have an adverse effect, the Department may decline to fund the portion of the Project that has been determined to have an adverse effect. If the Department proceeds with funding the portion of the Project that has been determined to have an adverse effect, Grantee agrees to enter into an agreement with MHT and the Department (the "MHT Agreement") and fulfill any obligations under the MHT Agreement to minimize or mitigate the adverse effect to the satisfaction of MHT and the Department. If the Department's determination that Grantee has satisfied its obligations to minimize or mitigate the adverse effect is contingent upon the Project meeting particular conditions, Grantee shall complete such conditions to the satisfaction of the Department.
 - b) The Maryland Codes Administration has approved any Project plans and specifications if the Department determines such approval is necessary.
 - c) For any Project that includes the acquisition, ownership, lease, rehabilitation, construction, operation, demolition or improvement of real property or improvements thereon (collectively and individually, the "Property"), Grantee shall not receive a disbursement of Grant funds until Grantee has submitted evidence acceptable to the Department of appropriate site control over the Property or authorization to proceed with the Project.
 - d) Grantee has complied with all other terms and conditions of the Grant as required by the Department to the Department's satisfaction, including the satisfaction of any special conditions set forth on Exhibit A - SDF-2025-SmithIsland-00679.
- 6) Other Funds.
- a) In addition to the Grant, Grantee may (i) be in the process of obtaining written commitments to receive other funds for the Project; (ii) have written commitments to receive other funds for the Project; or (iii) have already received other funds for the Project (collectively, the "Other Funds"). Other Funds shall be described by source, use and amount in the Project Budget.
 - b) Upon request, Grantee shall provide the Department with information and documentation in forms acceptable to the Department regarding the Other Funds. Such information and documentation shall include but not be limited to information concerning Grantee's receipt and expenditure of the Other Funds. In the event the Department determines, in its sole discretion, that all or any portion of the Other Funds are not available, are not going to be disbursed to Grantee for any reason, or that the Other Funds received by Grantee have not been properly expended, the Department may, in its sole discretion, declare Grantee in default of this Agreement and exercise its remedies pursuant to this Agreement.
- 7) Disbursement of the Grant.

- i) On January 1, April 1, July 1, and October 1 of each year, commencing on the Effective Date and continuing until the Department accepts the Final Report described in Section 8(c)(ii), Grantee shall provide the Department with interim progress reports in a manner and form to be determined by the Department. The interim progress reports shall contain such information as the Department reasonably requests, including, but not limited to, work accomplished and problems encountered, past and projected expenditures made against the Project Budget, benchmarks reached, and progress on the development of a community enhancement project. Grantee shall ensure that each interim progress report is received by the Department within ten (10) working days after the due date.
- ii) Within forty-five (45) days after Grantee completes the Project, Grantee shall submit to the Department a final report (the "**Final Report**"), in a manner and form to be determined by the Department, that describes the completed Project, the success of the Project, any problems encountered in completing the Project, and such other information as the Department requires. The Final Report shall also contain a disbursement report that lists all expenditures relating to the Grant. In addition, any completed studies, surveys, reports, or other work products, if applicable, shall be attached to the Final Report.
- iii) If any portion of the Grant is secured by collateral for the benefit of the Department (the "**Collateral**") or is used to fund a loan to a subrecipient (a "**Loan**") and the Department maintains an interest in such Loan, Grantee shall submit annual reports, in a manner and form to be determined by the Department, for the term of this Agreement.
- iv) In addition to the requirements set forth above, Grantee shall provide the Department with such additional records, reports, and other documentation as may be required by the Department.

9) **Default and Remedies; Termination.**

- a) A default shall consist of: (i) the breach by Grantee of any term, condition, covenant, agreement, or certification contained in this Agreement; (ii) the expenditure of Grant funds for any use other than as provided in the Project Budget or in the Project Description; (iii) the failure to commence or complete the Project by the dates set forth in the Agreement, or otherwise unsatisfactory performance or completion of the Project, in the Department's sole determination; (iv) Grantee's bankruptcy, insolvency, or the dissolution or liquidation of Grantee's business organization or assets; (v) the failure to obtain the Other Funds if, in the Department's sole discretion, such failure would significantly impact the Project; (vi) a change in Grantee's staffing capacity that adversely affects Grantee's ability to carry out the Project, in the Department's sole discretion; (vii) failure to maintain good standing with the Maryland State Department of Assessments and Taxation; or (viii) a default by Grantee in any other agreement with the Department that remains uncured beyond any applicable notice and cure provisions therein
- b) The Department shall give Grantee written notice of default, and Grantee shall have thirty (30) days from the date of such notice to cure the default. Upon the occurrence of a default that continues beyond the cure period, the Department shall have the right to terminate this Agreement immediately by written notice to Grantee. Notwithstanding the above, upon the occurrence of a default under this Agreement involving Grantee's bankruptcy, insolvency, or the dissolution or liquidation of Grantee's business organization or assets, the Department's right to terminate this Agreement shall be immediate without a notice and cure period.
- c) In the event of termination by the Department:

- d) The representations, statements, and other matters contained in the Application are and remain true and complete in all material respects.
 - e) Prior to commencement of the Project, Grantee has obtained or will obtain all federal, State, and local government approvals, permits, and licenses that may be required to accomplish the Project and the scope of work.
 - f) Grantee has not been, nor currently is, the subject of an investigation by any federal, State, or local governmental entity for alleged criminal or civil violations of laws or regulations enforced by these entities.
 - g) If Grantee is not a government agency, Grantee makes the following certifications:
 - i) Grantee is in good standing with the Maryland State Department of Assessments and Taxation and shall provide evidence of such status upon request.
 - ii) Grantee is in compliance with §19-106 of the Business Regulation Article and COMAR 24.01.07 (together, the “**Corporate Diversity Act**”) and has provided the Department with (1) an affidavit (“**Affidavit**”) attesting that Grantee is not required to submit the corporate diversity addendum (the “**Addendum**”) described by the Corporate Diversity Act; or (2) an Affidavit and Addendum that certifies Grantee meets at least thirty-three percent (33%) of the diversity indicators listed in the Addendum. Grantee shall keep complete and accurate records supporting the facts in the Addendum or the Affidavit, as applicable, for a period of five (5) years from the date of this Agreement. If any representation made by Grantee in the Addendum or the Affidavit is false when made, the Department may cancel the Grant in whole or in part, require repayment of the Grant, or seek any other remedy available by law. Capitalized terms used in this paragraph but not defined in the Agreement shall have the meanings set forth in the Corporate Diversity Act.
 - iii) Grantee is in compliance with the Maryland Solicitations Act (the “**Solicitations Act**”), including maintaining its registration as a charitable organization with the Office of the Secretary of State if required by the Solicitations Act, and shall provide the Department evidence of such compliance. Grantee understands the repercussion of not complying with this section, and that the Department is not responsible for Grantee’s failure to comply with the Solicitations Act.
 - iv) Grantee must certify they are in compliance with all State requirements, they are registered to do business in the State, and if applicable are a nonprofit entity as defined in the Act and Regulation.
- 11) Environmental Certification and Lead Paint. In connection with the ownership, lease, rehabilitation, construction, operation or demolition of the Property:
- a) Grantee represents, warrants, and covenants that, other than as disclosed to the Department in writing prior to the Effective Date, there are no known hazardous materials located on the Property, that it will not cause or knowingly allow any hazardous materials to be placed on the Property, that it will carry out the Project in compliance with all requirements imposed by any governmental authority with respect to any hazardous materials that may be placed on the Property, and that to the best of its knowledge the Property is in compliance with all applicable federal and State environmental laws and regulations. De minimis amounts of household cleaning supplies, office supplies and petroleum-based products used in the ordinary course of operating the Property and which are stored and disposed of in accordance with applicable laws are not considered hazardous materials.

vi) The Fair Housing Amendments Act of 1988, as amended; and

vii) The Americans with Disabilities Act of 1990, as amended.

15) Non-Sectarian Certifications.

- a) Other than as disclosed to the Department in writing, Grantee certifies that no part of the Grant funds, no part of the Project, and no part of the Property shall be used for the furtherance of sectarian religious instruction, or in connection with the design, acquisition, or construction of any building used or to be used as a place of sectarian religious worship or instruction, or in connection with any program or department of divinity for any religious denomination, including (but not limited to) religious services, religious instruction, or other activities that have an explicitly religious content.
- b) Grantee certifies that it will provide services of the Project to clients on a nondiscriminatory basis, including (but not limited to) the provision of services without regard to the creed, religion, or religious affiliation of the clients.

16) Insurance.

- a) Grantee shall maintain or shall cause to be maintained property and commercial general liability insurance coverages on the Project and Property both during and after construction or rehabilitation, and if necessary, Grantee shall pay the expense of such insurance.
- b) Grantee shall determine whether the Property is located in a 100-year flood plain, as designated by the United States Department of Housing and Urban Development. If the Property is located in a 100-year flood plain, Grantee shall require flood insurance coverage, and if necessary, Grantee shall pay the expense of such insurance.
- c) Grantee shall require, or shall cause any subrecipients to require, the general contractor to provide general contractor's insurance coverage for comprehensive public liability, property damage liability/builder's risk, and workers' compensation in the form and amounts satisfactory to the Department.
- d) Insurance coverages shall be provided by a company that is registered with the Maryland Insurance Agency and authorized to transact business in the State.
- e) To the extent required by the Department, insurance coverage shall be in force prior to the disbursement of the Grant funds and shall contain terms and coverages satisfactory to the Department.
- f) To the extent required by the Department, Grantee shall submit to the Department an ACORD insurance certificate naming the Department and the Grantee as lender's loss payable and additional insured.
- g) To the extent required by the Department, ACORD insurance certificates shall provide for notification to the Department and Grantee prior to Project-related cancellation of any insurance policies.
- h) If Grantee is a government agency, including a housing authority, or is otherwise approved by the Department, the insurance requirements contained herein may be satisfied through evidence of a self-insurance program by providing written confirmation of such insurance satisfactory to the Department.

- 24) Term of Agreement. Unless sooner terminated pursuant to the terms of this Agreement or extended by an amendment to the Agreement, this Agreement shall be effective as of the Effective Date and shall continue in full force and effect until the later of (a) the Department close out of the Project in accordance with its procedures for closing out projects; (b) the final satisfaction of any Loan proceeds or obligations regarding any Collateral; or (c) the expiration of the period of time the Department requires a particular use of the Property, if any such restriction is set forth on Exhibit A - SDF-2025-SmithIsland-00679. Any provision of this Agreement which contemplates performance or observance subsequent to any termination or expiration of this Agreement shall survive termination or expiration of this Agreement and continue in full force and effect.
- 25) Further Assurances and Corrective Instruments. Grantee agrees that it will, from time to time, execute and deliver, or cause to be delivered, such amendments hereto and such further instruments as may be required by the Department to comply with any existing or future State regulations, directives, policies, procedures, and other requirements, or to further the general purposes of this Agreement.
- 26) Delay Does Not Constitute Waiver. No failure or delay of the Department or the Grantee to exercise any right, power or remedy consequent upon default shall constitute a waiver of any such term, condition, covenant, certification or agreement of any such default or preclude the Department or the Grantee from exercising any right, power or remedy at any later time or times.
- 27) Technical Assistance. If the Project is not being completed or performed in a manner satisfactory to the Department, or Grantee has violated a provision of this Agreement, prior to the Department declaring a default, the Department may require that Grantee accept technical assistance the Department determines is necessary for the Project to proceed in a manner acceptable to the Department.
- 28) Department's Signs. If required by the Department, Grantee agrees to display one or more signs identifying the Project as a recipient of financial assistance under the Program if the Department furnishes such sign(s). Grantee shall be responsible for the installation of the signs. In the event that a license, permit, or other permission is required from a local jurisdiction in order to display said signs, Grantee agrees to pay all requisite license or permit fees.
- 29) Ceremonies. In the event that Grantee holds any ribbon-cutting, dedication, or ground-breaking ceremonies, or any other similar event to commemorate the Project, Grantee shall send notice of such event to the Department as soon as is practicable in order to allow the Department the option of sending a representative to attend the ceremony.
- 30) Notice Regarding Disclosure of Information Relating to the Project. The Department intends to make available to the public certain information regarding the Project and the Grantee. In addition, the Department may be required to disclose information about the Project to the Board of Public Works and the Maryland General Assembly and may desire to disclose such information to other State officials or their staff, local government officials or their staff, and other lenders and funding sources. The Department is also required to disclose information in response to a request for information made pursuant to the Public Information Act, §4-101 et seq. of the General Provisions Article, Annotated Code of Maryland (the "PIA"). Information that may be disclosed to any of the foregoing, including the public, may include, among other things, the name of the Grantee; the name, location, and description of the Project; the date and amount of financial assistance awarded by the Department; the terms of the financial assistance; use of funds; information contained in the Application; a copy of the Application; and the sources, amounts and terms of other funding used to complete the Project, including capital contributions from the Grantee. Certain information may be exempt from disclosure under the PIA. Requests for disclosure of information made pursuant to the PIA are evaluated on an individual basis by the Department. If Grantee believes that any of the information it has provided to

WITNESS the hands and seals of the Department and the Grantee, with the specific intention of creating a document under seal.

WITNESS/ATTEST:


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SMITH ISLAND UNITED INCORPORATED

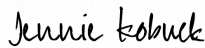
By: 

Name: Eddie Somers

Title: President

**DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT**, a principal
department of the State of Maryland

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By: 

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Name: Jacob R. Day

Title: Secretary
8/8/2025

Date Executed on behalf of the Department/
Effective Date

Approved for form and
legal sufficiency

DocuSigned by:



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Assistant Attorney General

Exhibits:

Exhibit A - Project Description, Project Address(es), Additional Information, and Special Conditions

Exhibit B - Project Budget

Exhibit C - Project Schedule

EXHIBIT A – SDF-2025-SmithIsland-00679

PROJECT DESCRIPTION, PROJECT ADDRESS(ES), ADDITIONAL INFORMATION, AND SPECIAL CONDITIONS

Project Name:

Smith Island Demolition and Redevelopment Program

- 1. Project Description:**
Demolish blighted structures in the designated Sustainable Communities areas on Smith Island.
- 2. Project Address(es):**
Properties located in the designated Sustainable Communities of Smith Island, MD.
- 3. Additional Information:**
Funding will support the demolition of blighted structures in designated Sustainable Communities on Smith Island.
- 4. Additional Financing (Evidence and Use of Funding Sources):**
Refer to Exhibit B
- 5. Special Conditions:**
N/A

EXHIBIT C – SDF-2025-SmithIsland-00679
PROJECT SCHEDULE

Project Name:
Smith Island Demolition and Redevelopment Program

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