

RESOLUTION NO. 2839

A RESOLUTION OF THE CITY OF SALISBURY ACCEPTING GRANT FUNDS FROM THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, A PRINCIPAL DEPARTMENT OF THE STATE OF MARYLAND ("DHCD") AND ALLOWING FOR THE TRANSFER OF UP TO \$20,000 OF THE FUNDS TO THE SALISBURY ARTS AND ENTERTAINMENT DISTRICT, INC. C/O THE SALISBURY FOLK FESTIVAL FOR PROCESSING OF APPROVED CATEGORIZED EXPENDITURES CONSISTENT WITH THE GRANT IN CONNECTION WITH THE UPCOMING FOLK FESTIVAL.

WHEREAS, the City of Salisbury in June 2017 submitted an Operating Assistance Grant to the Department of Housing and Community Development for financial assistance in carrying out community development activities, specifically to include assistance with the National Folk Festival to be held in the City of Salisbury; and

WHEREAS, the City of Salisbury was recently awarded grant funds of \$25,000 by the Department of Housing and Community Development, a principal department of the State of Maryland ("DHCD") and signed the grant agreement on March 9, 2017; and

WHEREAS, the DHCD authorized the City of Salisbury to disperse up to \$20,000 of the grant funds directly to The Salisbury Arts and Entertainment District c/o the National Folk Festival and considered that doing so was an appropriate use of grant funds related to the Folk Festival; and

WHEREAS, invoices and proof of payments to substantiate funds directly transferred to the The Salisbury Arts and Entertainment District c/o the National Folk Festival is still required in connection with the grant; and

WHEREAS, the City of Salisbury desires to transfer the approved amount of up to \$20,000 of grant funds directly to The Salisbury Arts and Entertainment District c/o the National Folk Festival in order to allow the local director of the festival to have immediate use of those funds to secure necessary vendors, volunteer coordinators, etc. as outlined in the DHCD grant exhibits, so that there will be no delays in securing the items needed to properly coordinate those Folk Festival activities; and

WHEREAS, the City of Salisbury already has in place with The Salisbury Arts and Entertainment District, Inc., a Memorandum of Understanding, dated November 29, 2017 to assist in the administration of funds for the Salisbury National Folk Festival; and


WHEREAS, the Memorandum of Understanding shall be amended by adding in a specific requirement for The Salisbury Arts and Entertainment District, Inc. to require it to provide full financial reporting in accordance with the DHCD grant to ensure that all grant requirements are followed and not violated, which shall also include indemnification language to protect the City of Salisbury.


NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF

SALISBURY, MARYLAND that the DHCD grant award of \$25,000.00 is hereby accepted by the City of Salisbury and that the grant funds shall be utilized by the City of Salisbury in accordance with the terms and conditions of the grant to include permission for the City of Salisbury to transfer up to \$20,000 in funds from the grant to The Salisbury Arts and Entertainment District, Inc. for use in connection with the Salisbury Folk Festival as outlined in the grant award and that all invoices, receipts and other proof of expenditures shall be provided by The Salisbury Arts and Entertainment District, Inc. to the City of Salisbury in accordance with DHCD requirements. The Mayor is authorized to sign an amendment to the Memorandum of Understanding with The Salisbury Arts and Entertainment District, Inc., which identifies the appropriation of the DHCD grant funds.

THIS RESOLUTION was duly passed at a meeting of the Council of the City of Salisbury held on May 14, 2018 and is to become effective immediately upon adoption.

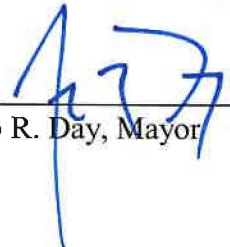
ATTEST:

  
Kimberly R. Nichols  
City Clerk

  
Muir Boda, Vice-President  
Salisbury City Council

APPROVED BY ME THIS:

22<sup>nd</sup> day of MAY, 2018

  
Jacob R. Day, Mayor



City of  
**Salisbury**  
Jacob R. Day, Mayor

## MEMORANDUM

**To:** Alison Pulcher, Deputy City Administrator  
Julia Glanz, City Administrator

**From:** Laura Soper, Director of Business Development

**Subject:** Main Street Improvement Grant

**Date:** 4/26/18

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Attached is a Resolution to accept funding from the Maryland Department of Housing and Community Development, Main Street Improvement Grant program. This funding, in the amount of \$25,000, will be utilized to provide funding for the National Folk Festival and to fund stipends for the various coordinators associated with the Festival, their work expenses, and some office expenses for the Local National Folk Festival Manager.

The National Folk Festival uses the Arts Entertainment's non-profit status to accept donations, sponsorships, and to make payments. Since this is the case, we received written approval from DHCD to shift some of these funds to the National Folk Festival bank account c/o the Salisbury Arts and Entertainment District. The Local Manager will be required to follow all stipulations of the Grant Agreement when expending the funds and the City will need to enter into an MOU with the Arts & Entertainment District c/o the National Folk Festival to transfer these funds.

Included is the proposed MOU and Grant Agreement, which includes the proposed budget and uses.

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") made as to this 29 day of November 2017 (the "Effective Date"), by and between The City of Salisbury and The Salisbury Arts and Entertainment District, Inc., a 501(c)(3) organization ("Contractor") to assist in the administration of funds for the Salisbury National Folk Festival ("NFF").

### RECITALS

Whereas, the City of Salisbury ("City") has authority to initiate, conduct, direct or cause to be conducted or directed under its supervision a comprehensive program of services for its citizens;

Whereas, Contractor is organized to offer community outreach programs, including organizing indoor and outdoor events and programs to enhance the citizens' cultural and leisure-time participation;

Whereas, the City has been chosen to host the National Folk Festival for 2018, 2019 and 2020, and has a signed agreement with the National Council for the Traditional Arts ("NCTA") to produce said festivals;

Whereas, the City is required by the aforementioned Agreement to maintain a separate bank account for the sole purpose of the NFF;

Whereas, as required by the aforementioned Agreement, the City hired a Local Festival Manager ("Manager");

Whereas, the City and the Manager will be pursuing a variety of funding sources for the NFF, including but not limited to, charitable donations, grant funds and sponsorships;

Whereas, the Manager will need access to the NFF bank account for depositing and disbursing funds during the course of planning and running the NFF;

Whereas, the City desires to partner with a local non-profit organization for the handling of NFF funds; and

Whereas, the City and the Contractor desire to cooperate with each other to provide cultural and leisure-time opportunities for our community.

NOW, THEREFORE, in consideration of the mutual promises, recitals and agreements contained herein, and for other good and valuable consideration, the parties do covenant and agree as follows:

1. SCOPE of Work. Contractor shall work with the Manager to open a bank account ("Account") consistent with section 501(c)(3) of the Internal Revenue Code, using the Contractor's status as a 501(c)(3) organization. This Account shall be set up specifically for the NFF and shall only be used for the NFF. The Manager shall have complete access to this account. The Manager shall



maintain the records for the Account. Contractor shall cooperate and coordinate with Manager for any reporting, record keeping or other requirements as required by State or Federal law for non-profit funds and bank accounts. Contractor shall have access to the Account, but not authority to withdraw funds. There shall be four signatories for the Account, the Manager, Caroline O'Hare, the Mayor of the City of Salisbury, Jacob R. Day, the City Administrator of the City of Salisbury, Julia Glanz, and the Deputy City Administrator, Alison Pulcher. All checks and withdrawals shall require signatures of both the Manager and Mayor. If either individual is unavailable, the City Administrator or Deputy City Administrator may sign. If any of these individuals cease to hold their current position, they will no longer be a signatory on the Account.

2. Accounting. All funds of the Account shall be accounted for with written records. All funds deposited into the Account shall have written documentation of the source of the funds, the exact amount received, the date received, and the specific purpose of the funds. All funds disbursed from the Account shall have written documentation (which may be in the form of a receipt or invoice) stating the person or entity to which the funds are being paid, the product or service received for payment of the funds, the exact amount disbursed, the date disbursed, the form of payment (i.e. cash, check), and the purpose of the product or service for the NFF. The Account shall be reconciled once per month, within 10 days of the close of the statement period, by an independent party, and shall be done by an Accountant experienced in the accounting of 501(c)(3) as appointed pursuant to section 8.3 of this MOU or by the City of Salisbury's Department of Finance. These records shall be available for review by the Manager, Contractor, City and Accountant upon request.
3. Expense Codes. The Manager shall work with a representative of the NCTA, the City and the Accountant (as appointed pursuant to section 8.3 of this MOU) to setup and identify expense codes and categories for consistency of accounting and reporting between the agencies. All NFF expenses that are incurred and paid shall be assigned one of these predetermined expense codes and assigned to one of the predetermined expense categories.
4. Supervision. The supervision of the NFF and the Manager shall be the responsibility of the City. The Manager shall report to the Deputy City Administrator.
5. Insurance. Contractor shall provide Insurance coverage for theft by Contractor or employees of the Contractor. The City of Salisbury shall provide insurance coverage for theft by City of Salisbury employees.
6. Term. The term of this Contract (the "Term") shall be three (3) years, ending on the third anniversary of the effective date of this MOU. The Account shall be opened within ten (10) days after the start of the effective date of the Contract. Any terms or conditions that are required to be completed after the expiration of the Term shall survive the expiration of the contract. The Term may be extended for one (1) additional consecutive term of one (1) year if the Contractor

and City agree to said extension and if proper written notice of termination has not otherwise been given by a party. All extensions are specifically contingent upon funds being appropriated by the City for renewal of the Contract. The terms and conditions of the Contract shall also apply to any renewal term. At the expiration of the first renewal this MOU shall not be renewed. Any funds remaining in the account at the expiration of this Contract shall belong to the City of Salisbury.

7. Future partnership. The Festival brand and intellectual property are the property of the City of Salisbury. Should the City decide to host a similar Festival beyond year 2020, the City may consider forming a new partnership with Contractor for the purpose of producing future events.
8. Costs. The City shall pay Contractor any costs related to the opening, managing, reporting, and maintaining the Account. These costs may include, but are not limited to: audit, bookkeeping, tax filings, check fees, etc. Contractor shall submit any request for reimbursement, with a copy of the invoice/receipt, to the Manager within thirty (30) days of their receipt of an invoice for which they are seeking reimbursement. The Contractor may not be entitled to payment for any costs that are not submitted for reimbursement, that are submitted without an invoice or receipt, or are submitted more than ninety (90) days after receipt or payment by Contractor. Any applicable costs over \$500 must be pre-approved by the Manager.
9. Financial Reporting.
  - 8.1 Contractor designates its Executive Director to serve as the liaison to the City in connection with the MOU. City designates the Manager to serve as liaison to Contractor. Contractor's Executive Director shall be under a duty to cooperate with the City's liaison in connection with the Contract.
  - 8.2 Manager shall provide the City and the Contractor with a quarterly and final financial report prepared on the accrual basis of accounting with regard to the Account. Manager and Contractor shall submit all other information as requested by the City Finance Department necessary to monitor receipts and disbursements, and to document and support expenditures made in connection with the NFF.
  - 8.3 Manager, City and Contractor shall agree upon the appointment of an individual or company as an accountant with experience in 501(c)(3) funds to review and advise in the management of the Account.
  - 8.4 Contractor shall be provided access to the Account statements upon request.
  - 8.5 Contractor shall not be responsible for the managing of the Funds as they pertain to the NFF, only as they pertain to the requirements of section 501(c)(3) of the Internal Revenue Code and any other State or Federal requirements.
  - 8.6 Any Grants or funds obtained by, issued to, or in the name of Contractor for the NFF shall be administered in accordance with the Agreement between the City and NCTA.
  - 8.7 The Contractor acknowledges and agrees that it shall retain any records for the Account for at least three (3) years following the expiration of the term of the Contract and the

City shall have the right to examine and inspect the Contractor's Account records upon reasonable notice provided to Contractor. Upon request, the City's auditor may examine the Contractor's records for verification of any expense or cost incurred under the Contract to determine whether the Contractor is in compliance with the terms contained herein.

8.8 Failure to abide by any of the requirements contained in paragraph 4 shall be deemed a material breach of this Contract, subject to immediate termination by the City, and may make the Contractor ineligible for future contracts with the City.

9. Compliance with Laws, Rules and Regulation: No Discrimination. Contractor shall be bound by and comply with (at its sole cost and expense, except as stated otherwise herein) all federal, state, and local laws, ordinances and regulations (hereinafter collectively referred to as "Laws") applicable to the obligations provided under this Contract. Without limiting the generality of the foregoing, Contractor expressly covenants that it shall comply with all applicable Laws pertaining to wages, workers' compensation, equal employment opportunity, and shall not discriminate against any employee or applicant for employment because of age, sex, race, national origin, or disability within the meaning of such laws.

10. Termination. This Contract may be terminated by the City or Contractor upon thirty (30) days written notice. In the event of such termination, Contractor shall work with the City or Manager to change ownership of the Account or transfer the funds of the Account prior to the effective date thereof. Notwithstanding any provision in this Contract, the City may immediately terminate this Contract for cause for the following reasons: any non-performance; fraud; any fraudulent representation in any invoice or verification obtained to obtain payment under this Contract; or services performed in conflict with the terms and conditions of this Contract. The occurrence of any of these conditions shall constitute a material breach of this Contract and the City may terminate this Contract with written notice to Contractor effective immediately. Any funds remaining in the account at the termination of this Contract shall belong to the City of Salisbury.

11. Indemnification and Hold Harmless. Without waiver, Contractor shall defend, indemnify and hold harmless the City, its commissioners, officers, directors, agents, servants and employees, and their respective heirs, personal and legal representatives, guardians, successors and assigns, from and against any and all claims, threats, liabilities, taxes, interest, fines, penalties, suits, actions, proceedings, demands, damages, losses, costs and expenses (including attorney's and experts' fees and court costs) of every kind and nature arising out of, resulting from, or in connection with:

11.1 Contractor's activities pursuant to this Contract, including, without limitation, any act or omission by Contractor's employees, agents, guests, and invitees;

11.2 Any misrepresentation or breach by the Contractor of any representation or warranty contained in this Contract;

- 11.3 Any non-performance, failure to comply or breach by Contractor of any covenant, promise or agreement of Contractor contained in this Contract, except as to any such non-performance, failure or breach approved in advance by the City or caused by the City's contributory negligence; or
- 11.4 Any debts, obligations, duties and/or liabilities of Contractor not expressly assumed by the City pursuant to the provisions contained in this Contract.

12. Miscellaneous Provisions.

- 12.1 Notices. Except as otherwise herein expressed as to the submissions of invoices and required reports, any notice, request, demand, and consent or other communications required or may be given under this Contract shall be given in the following manner:

- 12.1.1 If to the City by First Class US mail with postage prepaid and by HAND DELIVERY to:

City of Salisbury  
Attn. Mayor's Office  
125 N. Division Street  
Salisbury, MD 21801

- 12.1.2 If to Contractor, First Class US mail with postage prepaid and by HAND DELIVERY to:

The Salisbury Arts and Entertainment District, Inc.  
Attn. Executive Director  
110 N. Division Street, Suite 1  
Salisbury, MD 21801

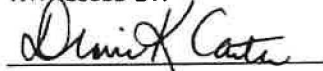
- 12.2 Severability; Incorporated Terms; and Order of Precedence. Any provision of this Contract that is held by a court or tribunal of competent jurisdiction to be prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability, without invalidating or rendering unenforceable the remaining provisions of this Contract. In the event of any conflict between the terms and conditions expressed in this Contract and those expressed in any Exhibit annexed hereto, the terms and conditions expressed herein shall be deemed to control.

- 12.3 Integration; Amendment; Waiver; Assignment. This instrument contains the entire and integrated Contract made by and between the parties hereto and pertaining to the subject matter hereof. The terms and conditions expressed herein shall supersede all prior negotiations, representations or agreements, either written or oral. No provision of this Contract may be amended, waived, or otherwise modified without the prior written consent of all the parties hereto. No action taken pursuant to this Contract,

including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement herein contained. The waiver by any party hereto of a breach of any provision or contained in this Contract shall not operate or be construed as a waiver of any subsequent breach or of any other condition hereof.

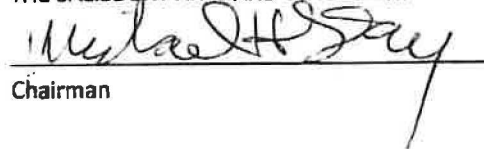
- 12.4 Section Heading. The section and other headings contained in this Contract are for reference purposes only and shall not affect the meaning or interpretation of this Contract.
- 12.5 Counterparts. This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.
- 12.6 Applicable Law; Jurisdiction and Venue; Service of Process. This Contract was made in the State of Maryland, and shall be governed by, construed, interpreted and enforced in accordance with the laws of the State of Maryland. All suits, proceedings and other actions relating to, arising out of or in connection with this Contract shall be submitted to the in *personam* jurisdiction of the courts of the State of Maryland and venue for all such suits, proceedings and other actions shall be in Wicomico County, Maryland. The parties hereby waive any claim against or objection to in *personam* jurisdiction and venue in the courts of Wicomico County, Maryland.
- 12.7 Use of genders. Whenever used in this Contract, the singular shall include the plural and vice versa, and the use of any gender shall include all genders and the neuter.
- 12.8 Authorization and Validity of Agreements. The signatories hereto, each and respectively, warrant that he or she has the full right, power and authority to execute, acknowledge, seal and deliver this Contract and to perform the transactions contemplated by this Contract. This Contract has been duly executed, acknowledged, sealed and delivered by the parties as their legal, valid and binding obligations, enforceable against the parties, respectively, in accordance with its terms.
- 12.9 No Partnership of Joint Venture. Nothing herein contained is intended or shall be construed in any way to create or establish the relationship of partners or a joint venture for any purpose whatsoever.

WITNESSED BY:

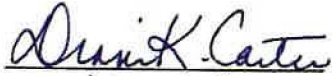


Name: Diane K. Carter

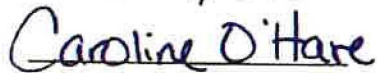
THE SALISBURY ARTS AND ENTERTAINMENT DISTRICT, INC.

  
Chairman

ATTEST:

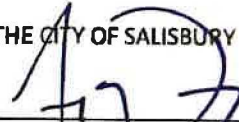


Name: *Diane K. Carter*  
*Asst. City Clerk*



Name:

THE CITY OF SALISBURY



Jacob R. Day, Mayor



Caroline O'Hare, Local Festival Manager



## MEMORANDUM OF UNDERSTANDING

### First Amendment

This Memorandum of Understanding (Amended) made as to this \_\_\_\_ day of \_\_\_\_\_, 2018 (the "Effective Date"), by and between the City of Salisbury ("City") and The Salisbury Arts and Entertainment District, Inc., a 501(c)(3) organization ("Contractor") to assist in the administration of funds for the Salisbury National Folk Festival ("NFF").

#### RECITALS

Whereas, the City and Contractor signed a Memorandum of Understanding on \_\_\_\_\_ for administration of funds for the Salisbury National Folk Festival; and

Whereas, the City has received additional grant funds from the Department of Housing and Community Development, a principal department of the State of Maryland ("DHCD") for use in connection with the Folk Festival; and

Whereas, the City is authorized and desires to transfer up to \$20,000 of the DHCD's grant funds for authorized expenditures identified under the DHCD grant to Contractor for allowable expenditures; and

Whereas, Contractor accepts responsibility for financial compliance under the DHCD grant terms and conditions and those contained in the signed Memorandum of Understanding between the parties, including proof of and documentation of all expenditures in compliance with the DHCD grant.

NOW, THEREFORE, in consideration of the mutual promises, recitals and agreements contained herein, and for other good and valuable consideration, the \_\_\_\_\_ Memorandum of Understanding between the parties is amended by adding the following language to Section 8.6:

**, and includes the grant agreement between the City and the Department of Housing and Community Development, a principal department of the State of Maryland ("DHCD") dated \_\_\_\_\_ from which up to \$20,000 will be provided to Contractor and/or Manager for payment of expenses related to the folk festival as outline in the DHCD grant to the City of Salisbury. Contractor and Manager shall account for all expenses and disbursements in accordance with that grant as required under the terms and conditions of the grant.**

WITNESSED BY:

THE SALISBURY ARTS AND ENTERTAINMENT DISTRICT, INC.

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Chairman

ATTEST:

THE CITY OF SALISBURY

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Jacob R. Day, Mayor

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Name:

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Caroline O'Hare, Local Festival Manager

## OPERATING ASSISTANCE GRANTS PROGRAM GRANT AGREEMENT

This Grant Agreement (this "**Agreement**") entered into as of the Effective Date (as hereinafter defined), by and between the DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, a principal department of the State of Maryland ("**DHCD**") and CITY OF SALISBURY (the "**Grantee**").

### RECITALS

WHEREAS, Grantee has applied to DHCD for a grant under the Operating Assistance Grants Program (the "**Program**"). The Program includes (i) Operating and Technical Assistance Grants ("**TAG Grants**"), pursuant to Sections 2-102 and 4-1101 through 4-1105 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended and COMAR 05.11.01 et seq.; (ii) Main Street Improvement Program Grants ("**MIP Grants**"), pursuant to Section 6-102 of the of the Housing and Community Development Article of the Annotated Code of Maryland and COMAR 5.13.02 et seq.; and (iii) Nonprofit Assistance Fund Grants ("**NAF Grants**"), pursuant to Appropriations in the Maryland State Fiscal Year 2018 Budget (the "**Budget Bill**") and DHCD's general authority to administer and implement programs, pursuant to Section 2-102 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended. The provisions of the Annotated Code of Maryland, the related regulations, and the Budget Bill are referred to herein as the "**Act**".

WHEREAS, the purpose of the TAG Grants is to enable eligible nonprofit organizations, local governments, local development corporations and local development agencies to obtain or provide advisory, consultative, training and educational services to initiate or enhance community development and commercial revitalization activities;

WHEREAS, the purpose of the MIP Grants is to promote the development and revitalization of business districts in local jurisdictions through a grant to a local government designated as a Main Street Maryland community, a Baltimore Main Street, or a nonprofit Main Street organization, with the support of the local government; and

WHEREAS, the purpose of the NAF Grants is to strengthen the ability of locally-based nonprofit organizations to bring reinvestment and economic revitalization to their communities through grants to nonprofit community development corporations, Main Street Maryland organizations; community development financial institutions; community action agencies; and other nonprofit organizations that are undertaking community and economic revitalization activities.

WHEREAS, in reliance upon the representations and certifications contained in the Grantee's application for grant assistance dated June 14, 2017 (the "**Application**"), DHCD has approved an award of Main Street Improvement Program grant funds to the Grantee, to be expended by the Grantee in accordance with the requirements and provisions of this Agreement, the Program and the Act.

IN CONSIDERATION of the mutual promises and covenants contained in this Agreement, DHCD and Grantee agree as follows:

I. Specific Purpose. The purpose of this Agreement is to provide the Grantee with financial assistance to pay for the activities (the "**Project Activities**") set forth in Exhibit A attached hereto (the "**Project**").

2. Grant Amount.

(a) DHCD agrees to provide Grantee with a grant from the Program in a total amount not to exceed Twenty Five Thousand and 00/100 Dollars (\$25,000) (the "Grant").

(b) The Grant shall be disbursed in accordance with Section 6 of this Agreement and as detailed in the budget (the "Budget") set forth and attached as Exhibit B of this Agreement.

3. Grantee Contribution.

The Secretary of DHCD has made a determination to waive the Grantee contribution pursuant to COMAR 5.11.01.11(D) and COMAR 5.13.02.

4. Grant Period.

(a) The Grant shall be disbursed over a one year term. The term is deemed to commence on the Effective Date (the "Grant Period").

5. Expenditure Period for the Grant. All expenses to be paid with the Grant shall be paid in a manner satisfactory to DHCD, prior to the expiration of the Grant Period. The Grantee shall expend the Grant only for the categories of activities set forth in the Budget. The Grantee shall maintain complete financial records relating to the receipt and expenditure of all funds.

6. Disbursement of the Grant.

(a) Requests for disbursement of the Grant shall be in writing upon forms provided by DHCD.

(b) Requests for disbursement of Grant funds must be accompanied by a statement that the representations, certifications, and other matters contained in the Application and this Agreement are and remain true and complete in all material respects. Disbursement requests may seek funds to pay for certain projected costs anticipated to be incurred as well as reimbursement for costs incurred on or after the date of the Application. DHCD shall have the right at any time to request that the Grantee provide additional supporting documentation with any request for disbursement.

(c) All disbursements of the Grant are subject to the availability of funds under the Program during the Grant Period.

(d) Disbursements of the Grant may be made at any time after the Effective Date, subject however to any special conditions set forth in Exhibit C.

(e) Disbursements of the Grant shall be made on a quarterly basis. DHCD reserves the right to make disbursements contingent upon completion by Grantee of the Project Activities, in a manner acceptable to DHCD. Grantee shall indicate on each periodic disbursement request all costs for which payment is requested.

(f) DHCD may make disbursements of the Grant more frequently than quarterly if DHCD, in its sole discretion, determines that a disbursement would materially benefit the Project and help the Grantee accomplish the Project Activities.

(g) DHCD reserves the right not to disburse all or any portion of the Grant if in the sole discretion of DHCD: (i) Grantee has failed to supply any material fact in a disbursement request; (ii) Grantee's disbursement request, when combined with all prior disbursement requests, exceeds the total amount of the Grant; (iii) Grantee is in default under this Agreement; or (iv) the Project is not performing to the satisfaction of DHCD.

7. Default and Remedies.

(a) A default shall consist of a breach of any covenant, agreement, term or certification in this Agreement, including a determination by DHCD that (i) the Grantee has expended all or any portion of the Grant for purposes other than as set forth herein; (ii) the Grantee has expended all or any portion of the Grant other than in accordance with the permitted categories of activities and matching source of funds set forth in the Budget; or (iii) the Grantee is not completing the Project Activities to the satisfaction of DHCD.

(b) Upon the occurrence of default, DHCD in its sole discretion may:

- (i) Reduce or withhold payment in response to Grantee's next disbursement request;
- (ii) Demand repayment from Grantee; and
- (iii) Terminate this Agreement.

(c) In addition to the rights and remedies contained in this Agreement, DHCD may at any time proceed to protect and enforce all rights available to DHCD by suit in equity, action at law, or by any other appropriate proceedings, all of which rights and remedies shall survive termination of this Agreement. Furthermore, no failure or delay of DHCD to exercise any right, power, or remedy consequent upon a default shall constitute a waiver of any such term, condition, covenant, certification, or agreement, or preclude DHCD from exercising any such right, power, or remedy at any later time or times.

8. General Requirements of Records and Reports; Inspection.

(a) Records and Inspection. Grantee shall maintain accurate financial records in a form acceptable to DHCD of all transactions relating to the receipt and expenditure of the Grant. Grantee shall maintain and shall make the financial records, books, accounts, other relevant records, administrative offices and personnel, whether full-time, part-time, consultants or volunteers, available to DHCD during reasonable work hours upon request during the term of this Agreement and for a period of not less than 5 years following termination of this Agreement.

(b) Quarterly Progress Reports. Grantee shall provide DHCD with quarterly progress reports on each of January 1, April 1, July 1, and October 1, in a form to be provided by DHCD, which shall contain information about the progress of the Grantee in relation to the Project, and Grantee's organizational and housing production goals, problems encountered, expenditures made against the Budget, and a projection of revenues required for the next quarter, including a disbursement request, if applicable. Grantee shall ensure that each quarterly progress report is received by DHCD within 10 working days of the close of the quarterly period.

(c) Final Report. Within 45 days after the expiration of the Grant Period, the Grantee shall submit to DHCD a final report (the "Final Report") which describes the progress made in fulfilling the purposes of the Grant, any problems encountered in fulfilling these purposes, as well as any other relevant factors related to the Grant as determined by DHCD. The Final Report shall also contain an expense and revenue summary of the Project, certified by the highest fiscal officer of the Grantee, which 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.

(d) Audit. Grantee shall provide DHCD with:

- (1) An annual financial statement within 30 days of the end of the fiscal year of Grantee, and
- (2) Copies of any audits performed on Grantee's records by any other entities.

9. Modifications.

(a) DHCD will consider reasonable modifications to the Project. Prior to a request being made to DHCD, the board of directors or other governing body of the Grantee must first approve the modification.

(b) Upon approval of the modification by the board of directors or other governing body of the Grantee, Grantee shall submit a written request for modification of the Project to DHCD. DHCD shall determine, in its sole discretion, whether to allow the requested modification.

10. Assistance from DHCD. In carrying out the Project Activities, Grantee agrees to accept assistance from DHCD or DHCD's designee if DHCD deems it necessary.

11. Grantee's Certifications. Grantee certifies to DHCD that:

(a) Grantee is either a local jurisdiction, a local development agency, a local development corporation or a nonprofit organization duly organized and validly existing under the laws of Maryland, is qualified to do business in the State of Maryland, and has all requisite power and authority to enter into and carry out the transactions contemplated by this Agreement;

(b) This Agreement has been duly authorized, executed and delivered by the Grantee in such manner and form as to comply with all applicable laws to make this Agreement the valid and legally binding act and agreement of Grantee;

(c) No member, officer, or employee of Grantee, or its designees or agents, no consultants, no member of the governing body of Grantee, and no other public official of Grantee who exercises or has exercised any functions or responsibilities over the Project shall have or obtain a personal or financial interest or benefit from the activities under the Project, or have an interest in any contract, subcontract, or agreement with respect herewith;

(d) The representations, statements and other matters contained in the Application are and remain true and complete in all material respects;



(e) If applicable, Grantee has obtained, or has reasonable assurances, that it will obtain, all federal, State and local government approvals, permits and reviews which may be required to accomplish the Project Activities and its goals under the Project;

(f) Grantee is not affiliated with or controlled by a for-profit organization;

(g) Grantee will comply with all applicable federal, state, and local laws, and all regulations, ordinances, and all terms and conditions established by DHCD or the State of Maryland with respect to the operation of the Project;

(h) Grantee shall not use, and shall not permit other to use, the Grant funds to engage in political or legislative activities in violation of I.R.C. § 501 (c) (3);

(i) Grantee has complied or shall comply with all special conditions which may be imposed by DHCD; and

(j) Grantee is not subject to any current or pending bankruptcy proceeding, criminal investigation, or civil investigation by any federal, state, or local government agency for alleged violation of laws of regulations enforced by such agencies.

12. Nondiscrimination and Drug and Alcohol Free Workplace.

(a) Grantee may not discriminate against and hereby certifies that it prohibits discrimination against and will not discriminate against any person on the basis of race, color, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, or age in any aspect of its projects, programs or activities.

(b) Grantee shall comply with applicable federal, State, and local laws regarding discrimination and equal opportunity in employment, housing, and credit practices, including:

- i) Titles VI and VII of the Civil Rights Act of 1964, as amended;
- ii) Title VIII of the Civil Rights Act of 1968, as amended;
- iii) Title 20 of the State Government Articles, Annotated Code of Maryland, as amended;
- iv) DHCD's Minority Business Enterprise Program, as amended;
- v) The Governor's Executive order 01.01.1989.18 related to Drug and Alcohol Free Workplaces, and any DHCD or State regulations adopted or to be adopted to carry out the requirements of that Order;
- vi) The Fair Housing Amendments Act of 1988, as amended; and
- vii) The Americans with Disabilities Act of 1990, as amended;

13. Fair Practices Certification.

- (a) The Grantee certifies that it prohibits discrimination on the basis of:
  - (i) Political or religious opinion or affiliation, marital status, color, race, sex, age, creed or national origin; or
  - (ii) The physical or mental disability of a qualified individual with a disability.
- (b) Grantee agrees that it will not engage in the forms of discrimination set forth in this Agreement.
- (c) Upon the request of DHCD, Grantee shall submit to DHCD information relating to its operations, with regard to political or religious opinion or affiliation, marital status, physical or mental disability, race, color, creed, sex, age, or national origin on a form to be prescribed by DHCD.

14. Indemnification.

(a) The Grantee (i) releases DHCD, its agents, employees, and the Program from, (ii) agrees that DHCD, its agents, employees and the Program shall not have any liability for, and (iii) agrees to protect, indemnify and save harmless DHCD, its agents, employees and the Program from and against any and all liabilities, suits, actions, claims, demands, losses, expenses and costs of every kind and nature, including a reasonable attorney's fee, incurred by, or asserted or imposed against, DHCD, its agents, employees, or the Program, as a result of or in connection with the Project. All money expended by DHCD, its agents, employees, or the Program as a result of such liabilities, suits, actions, claims, demands, losses, expenses or costs, together with interest rate not to exceed the maximum interest rate permitted by law, shall constitute an indebtedness of Grantee and shall be immediately and without notice due and payable by Grantee to DHCD.

(b) If Grantee is a local government, this indemnification and release is subject to the extent permitted by the laws of the State of Maryland, and subject to appropriations as well as the notice requirements and damages limitations stated in the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. § 5-301, et seq. (2013 Repl. Vol.) (the "LGTC") and Md. Code Ann., Cts. & Jud. Proc. §§5-509 and 5-5A-02 (2013 Repl. Vol.), all as amended from time to time, and except in the event of DHCD's negligence or willful misconduct or the negligence or willful misconduct of DHCD's officers, agents, employees, successors and assigns, Grantee shall indemnify and hold harmless, DHCD, its officers, agents, employees, successors and assigns against liability for any suits, actions or claims of any character arising from or relating to the performance by Grantee (or its officers, agents, employees, successors or assigns) of any of its rights or obligations under this Agreement.

15. Notice Regarding Disclosure of Information Relating to the Project. DHCD intends to make available to the public certain information regarding the Project and the Grantee. In addition, DHCD is 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. DHCD is also required to disclose information in response to a request for information made pursuant to the Public Information Act, General Provisions Article, Section 4-101 *et seq.* of the Annotated Code of Maryland (the "PIA Act"). 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 DHCD; the terms of the financial assistance; use of funds; information contained in the application for financial assistance; 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 Act. Requests for disclosure of information made pursuant to the PIA Act are evaluated on an individual basis by DHCD. If Grantee believes that any of the information it has provided to DHCD is exempt from disclosure, Grantee should attach a statement to this Agreement describing the information it believes to be exempt from disclosure and provide an explanation therefor. DHCD cannot guarantee non-disclosure of such information but may consider Grantee's statement when responding to a request made pursuant to the PIA Act.

16. Notices. All notices, requests, approvals and consents of any kind made pursuant to this Agreement shall be in writing. Any such communication, unless otherwise specified, shall be deemed effective as of the date it is mailed, postage prepaid, addressed as follows:

- (a) Communications to DHCD shall be mailed to:

Department of Housing and Community Development  
2 North Charles Street, Suite 450  
Baltimore, Maryland 21201  
Attn: Susan Sheppard, Project Manager, Community Access and Partnership

- (b) Communication to Grantee shall be mailed to:

City of Salisbury  
110 North Division Street  
Salisbury, Maryland 21801  
Attn: Laura Soper, Business Development Specialist

17. Amendment. This Agreement or any part hereof, may be amended from time to time only by a written instrument executed by both of the parties.

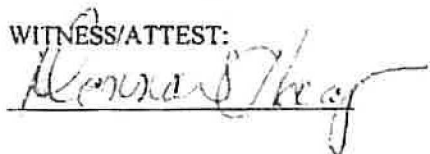
18. Assignment. No right, benefit or advantage inuring to the Grantee and no burden imposed on Grantee under this Agreement may be assigned without the prior written approval of DHCD.

19. Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Maryland without regard to conflict of laws provisions.

20. Effective Date. This Agreement is effective as of the date of its execution by DHCD (the "Effective Date").

IN WITNESS WHEREOF, the parties hereto have executed this document with the specific intention of creating a document under seal.

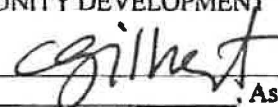
WITNESS/ATTEST:

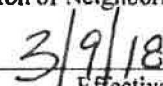


CITY OF SALISBURY

By:  (SEAL)  
Jacob Day, Mayor

DEPARTMENT OF HOUSING AND  
COMMUNITY DEVELOPMENT

By:  (SEAL)  
Assistant Secretary  
Division of Neighborhood Revitalization

  
Effective Date

Approved for form  
and legal sufficiency

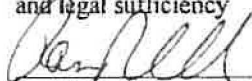
  
Assistant Attorney General

Exhibit A - Description of the Project Activities

Exhibit B - Project Budget

Exhibit C - Special Conditions

**EXHIBIT A**

**OPERATING ASSISTANCE GRANTS PROGRAM**

**SCOPE OF SERVICES**

As more fully described in Grantee's application for funds  
dated June 14, 2017

**GRANTEE:** City of Salisbury

**PROJECT ADDRESS:** 125 North Division Street  
Salisbury, Maryland 21801

**GRANT AMOUNT:** \$25,000

**USE OF FUNDS:** Funds will be used to support costs associated with providing stipends to volunteers and coverage of expenses for the National Folk Festival.

**OTHER CONTRIBUTION(S)**

<u>Source of Funds</u>	<u>Amount</u>	<u>Value Derivation</u>
City of Salisbury	\$87,500	Cash

**EXHIBIT B****OPERATING ASSISTANCE GRANTS PROGRAM****PROJECT BUDGET**

<b>USES OF FUNDS</b>	<b>DECD</b>	<b>Grantee</b>	<b>TOTALS</b>
National Folk Festival – Salisbury Director (Salary and Benefits)		\$86,500	\$86,500
Food Vendor Coordinator & Work Expenses	\$6,000		\$20,000
Food Vendor Assistants	\$2,000		
Marketplace Vendor Coordinator & Work Expenses	\$5,000		
Transportation Coordinator & Work Expenses	\$5,000		
Volunteer Coordinators	\$2,000		
Office Space	\$3,000		\$3,000
Office Computer and Supplies	\$2,000	\$1,000	\$3,000
<b>TOTALS</b>	<b>\$25,000</b>	<b>\$87,500</b>	<b>\$112,500</b>



**EXHIBIT C**

**OPERATING ASSISTANCE GRANTS PROGRAM**

**SPECIAL CONDITIONS**

\*signed agmt\*  
\*invoices\*

**Laura Soper**

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**From:** Susan Sheppard -DHCD- <susan.sheppard@maryland.gov>  
**ant:** Thursday, April 05, 2018 4:28 PM  
**To:** Laura Soper  
**Subject:** City of Salisbury FY18 MIP for National Folk Festival

Hi Laura,

I am the Project Manager for the City of Salisbury's FY18 Main Street Improvement Grant for funds of \$25,000 related to staffing for the National Folk Festival.

Upon receiving the funds from DHCD the City plans to disperse \$20,000 to the Salisbury Arts and Entertainment District c/o the National Folk Festival. There was concern that this was not allowed under the terms of the agreement, but after consulting with my supervisor Amy Seitz and the legal department, we agreed that this was an appropriate use of funds. DHCD will be writing the checks to the City of Salisbury, who will in turn be reimbursing the Arts District/National Folk Festival in order to pay the Director and Vendors. We will still require invoices and proof of payments, which can come from the Arts District through the City. This is an acceptable form of documentation for the purposes of this grant.

Please let me know if there are additional questions or concerns.

Thanks!



Susan Sheppard  
Project Manager/Assistant Coordinator  
State Main Street Program  
Maryland Department of Housing and  
Community Development  
2 N. Charles Street, Suite 450  
Baltimore, Maryland 21201  
[susan.sheppard@maryland.gov](mailto:susan.sheppard@maryland.gov)  
[410-209-5802](tel:410-209-5802)(office)