

LAND DISPOSITION AGREEMENT

THIS AGREEMENT, made this **DEC 24 2008** day of _____, 2008, by and between

the MAYOR AND CITY COUNCIL OF BALTIMORE, a body corporate and politic, and a political sub-division of the State of Maryland (hereinafter referred to as "City"), acting by and through the Department of Housing and Community Development (hereinafter referred to as "Department"), and **Unit South Durham Homestead House, Inc** (hereinafter referred to as "Developer").

RECITALS

- A. City has or will acquire the property known as 7 South Durham (Block 1735, Lot 068), Washington Hill Urban Renewal Area, described in Schedule A (the "Property") to be developed as hereinafter set forth.
- B. In accordance with the procedures set out in Ordinance No. 95-525, [Article 13, Section 2-7 (mm)], approved November 11, 1999 which authorizes the City to dispose of the Property (hereinafter defined); and
- C. City is authorized to sell the Property by virtue of Article II, Section 15 of the Baltimore City Charter, 1996 Edition (the "Charter Provision"); Article 13 of the Baltimore City Code – 2000 Edition (the "City Code"), which established the Department pursuant to the Charter Provision; and the provisions of the Renewal Plan.
- D. Material assistance has been given to City by the United States of America in the form of grants or loans in order to further the Renewal Plan and to acquire some or all of the parcels of land located within the Renewal Area.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises and the mutual obligations of the parties hereto, and other good and valuable consideration, the receipt of which is hereby acknowledged, the City and the Developer, for themselves, their successors and assigns, hereby covenant and agree as follows:

Condition of Conveyance. Subject to the conditions of this Agreement, and to the performance by the parties hereto of the duties and obligations on the part of each to be performed hereunder, the City does hereby bargain and sell its interest in the Property unto the Developer, and the Developer does hereby purchase and buy the Property from the City (the "Conveyance"), subject to the restrictions, covenants, conditions, terms and provisions hereinafter mentioned.

Condition of Property. The Property has been inspected by the Developer prior to the signing of this Agreement and the Developer accepts the Property in its "as is" condition at the time of settlement as provided herein. There are no understandings or agreements as to any repairs, alterations or additions to be now or hereinafter made by the City.

The term "Improvement" as used in the Agreement means the structure or structures to be constructed, landscaping, and site preparations all as shown in the approved Construction Plan. The term "Construction Plan" shall mean complete working drawings suitable for bidding, including final Subdivision Plans if required.

Project Description. A description of the work to be done by Developer, the financing thereof, the method of conveyance by City and all other relevant details of development are collectively called "Project Description" and are attached hereto as Schedule D.

Purchase Price. The purchase price, down payment, good faith deposit, and manner of payment for the Property are set forth in Schedule B.

Conditions Precedent to Settlement. The Department shall not be obligated to make conveyance of the Property unless and until the following events have all occurred:

- a. The Developer has furnished the Department with a copy of the executed construction contract for the Improvements.
- b. The Developer has furnished evidence satisfactory to the Department that the Developer has the equity capital and/or commitments for the mortgage financing or other financing adequate for the construction of the Improvements, in accordance with said construction contract.
- c. If applicable, the Developer has obtained a Building Permit and has paid all application fees in connection therewith, and the Improvements described in the Building Permit are in accordance with the Construction Plans approved by the Department.
- d. If the Property has been purchased by the City, or if the Developer will finance the Project in whole, or part, with grants or loans from the United States Department of Housing and Community Development (HUD), then, the Developer shall have submitted a Commitment to Comply with Programmatic Agreement Among The Advisory Council on Historic Preservation,

The Baltimore City Department of Housing and Community Development and the Maryland State Historic Preservation Officer Regarding the Community Development Block Grant Program, (herein after "The Programmatic Agreement") substantially in the form attached as Schedule E and made part hereof in which the Developer undertakes to carry out all of the provisions of the Programmatic Agreement.

Deed of Covenants. Any deed or deeds conveying the Property shall contain covenants of special warranty and further assurances against encumbrances other than those specified in this Agreement.

Limitation of Covenants. If any portion of the property have been acquired by tax sales proceedings, said conveyance shall be without warranty as to those parcels.

Acquisition of Property. Notwithstanding anything in the Agreement to the contrary, if the City is to acquire any portion of the Property by condemnation or tax sale, then the City and the Department shall not be liable to Developer and any of its successors or assigns, for any and all damages and expenses incurred by Developer and any of its successors or assigns resulting from the City's failure to acquire such Property. In addition, Developer shall indemnify the City, the Department, their elected/appointed officials, employees, and agents for any and all damages and expenses incurred by third parties resulting from the failure of the City and/or Department to acquire title to the Property.

Settlement and Conveyance. Settlement shall take place at a time agreed to by the Developer and the Department but in any event no later than 45 days from the date of this agreement.

The Developer will pay, with respect to the conveyance, all applicable Department and City Law Department fees and charges, transfer taxes, recordation taxes, premiums for any title insurance policies procured, and the full expense of the proper recording of documents among the Land Records of Baltimore City.

At time of settlement of the Property, the City shall submit to the Developer and the Developer shall at that time pay a tax equivalency charge on the basis of a tax assessment of 100 % of the sale price and calculated at the City and State tax rates and prorated for the remainder of the tax year in which settlement is made. In the event of a nominal sale price, the tax equivalency shall be computed on the current assessment.

Lien Adjustments. The Department shall pay all taxes, sewer and water charges and other assessments or charges with respect to any period before delivery and conveyance of the Property to the Developer. Taxes, charges or assessments incurred any period after conveyance shall be paid by the Developer.

Possession of Property. Possession of the property will be given at time of settlement, and no prior entry to the Property will be given without the prior written approval of the City

Commencement of Construction. Within ninety (90) days from the date of the instrument of conveyance from the City, the Developer shall commence the construction or rehabilitation of the Improvements. In addition, the Developer shall cause the Improvements to be completed in accordance with the approved Construction Plans and the Renewal Plans.

Construction of Footways. The Developer shall provide, construct and maintain all necessary footways which abut on and form the perimeter of the Property.

City specifically reserves title to all streets and alleys abutting the Property.

Reservation of Streets and Alleys. The City specifically reserves title to all streets and alleys abutting the Property.

Progress Reports. The Developer, subsequent to the conveyance of the Property to the Developer, and until construction of the Improvements has been completed, shall make in such detail as may reasonably be required by the Department, a report in writing to the Department every ninety (90) days as to the actual progress of the Developer with respect to such development and construction.

During the period of rehabilitation or construction the work of the Developer shall be available for inspection by representatives of the Department.

Completion of Construction. The Developer shall diligently execute to completion the construction of the Improvements, on the Property and shall complete such construction not later than eighteen (18) months from the date of the instrument of conveyance from the City, or as may be extended by permission of the Department, which shall not be unreasonable withheld.

Liability Insurance. The Developer, at its sole cost and expense, shall secure or cause to be secured, from a company or companies acceptable to the City, and shall maintain in full force and effect during the period of time between the execution of the Agreement of Sale and settlement of the Property, such insurance as will protect both Developer and City its agents and employees, from any and all claims or damages for personal injuries, including without limitation, death or damage to any property of the City.

Compliance with Urban Renewal Plan and EEO Requirements. The Developer

covenants and agrees that the Property has been developed in accordance with Exhibit D; any future development shall be in accordance with the Plan. The Developer also agrees to comply with the Minority and Women's Business Enterprise Program in accordance with Schedule C.

Compliance with Public Laws. The Developer will comply in every respect with any and all Federal, State, and municipal laws, ordinances, rules, regulations, orders and notices which are now or hereafter in force and which may be applicable to any and all of the work or operations performed or to be carried out by Developer.

Default by Developer. In the event that Developer defaults in its obligations with respect to any conditions and covenants contained in this Agreement, including but not limited to maintaining the property in accordance with all zoning and Urban Renewal Ordinances or other codes that are applicable, and the cure of any default is not commenced within fifteen (15) days after written demand by City, and continued diligently thereafter, City shall have the right to re-enter the Property and/or take any and all action necessary to take possession of the Property and to terminate the estate conveyed to Developer. Developer shall pay upon demand by City, any and all charges incurred as a result of such default. In the event the estate conveyed to Developer is terminated thereby, title to said Property shall immediately revert in City. That any reversion of title as a result thereof in the City shall always be subject to and limited by, and subordinate to and shall not defeat, render invalid, or limit in any way the lien of any mortgage or deed of trust authorized by this Agreement and executed for the sole purpose of obtaining funds for the acquisition and development of the site or any rights under any other document further securing any mortgage or deed of trust holder sums advanced in accordance with this Agreement, or any rights or interest provided in this Agreement for the protection of the holders of such mortgages or deed of trust. In addition, in the event of any default and the reversion or title hereunder, the City shall have the right to retain the amount paid on account of the purchase price of the Property and the down payment, if any, as its property without any deduction, offset, or recoupment whatsoever; and the Design Development Plans and/or Construction Plans which have been submitted by the Developer to the Department pursuant to this Agreement shall become the sole property of the City, for its use or assignment to others at its sole option.

Duty to Cure Default. In the event of any default in or breach of this Agreement, or any of its terms or conditions, at any time, by either party hereto or any successor to any party, such party or its successor shall, upon written notice from the other, proceed immediately to cure or

remedy such default or breach and, in any event, within ten (10) days if the cure or remedy requires the payment of money, or otherwise within sixty (60) days after receipt of such notice (or such longer period of time as may be reasonably necessary if such default cannot be cured in 60 days provided that the defaulting party is proceeding with due diligence to effect a cure). In case such action is not expeditiously taken or diligently pursued or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings at law or in equity which it may deem proper, including but not limited to proceedings to compel specific performance by the party in default or breach of its obligations.

Return of Down Payment. In the event that the City does not tender conveyance of the Property, or possession thereof, in the manner and condition, and by the date provided in Article I of this Agreement, and any such failure shall not be cured within sixty (60) days after written demand by the Developer (and Developer is not in uncured default under this Agreement) then this Agreement, shall at the option of the Developer be cancelled, and the Developer shall be entitled to a return of the down payment, plus the amount of any cash expenditures not to exceed \$100,000.00 by the Developer prior to the expiration of any cure period provided to the City under this Agreement, including but not limited to engineering and architectural fees, bond underwriting fee, mortgage commitment fees, insurance premiums, subsoil investigations and permits: all to the extent as such costs are established by written statements certified by an officer of the Developer, provided to the Department in writing within sixty (60) days after the cancellation of this Agreement and thereafter, neither the Department nor the Developer shall have any further rights against or liability to the other under this Agreement.

City-A Municipal Corporation. The City is a municipal corporation and can exercise only those powers granted it by law, and in the event the City is prevented, restricted, or delayed in any of the duties and obligations imposed upon it or assumed by it under the terms and provisions of this Agreement as a result of any legal proceedings, unless instituted by the City, it shall not be liable for any costs, damages, injuries, or liabilities caused to or suffered or incurred by the Developer, its successors or assigns in connection with, or as a result of any such legal proceedings or any such prevention, restriction or delay.

Failure of Developer to Cure Specific Default Prior to Conveyance. In the event that prior to conveyance of the Property to the Developer, and in violation of this Agreement:

- (a) The Developer assigns or attempts to assign this Agreement or any rights therein

or in the Property (excluding space leases to tenants) without the approval of the Department, as

herein provided; or

- (b) The Developer does not submit Preliminary Plans for the Improvements on the Property and/or Construction Plans for the Improvements on the Property in satisfactory form and in the manner and by the dates respectively provided in the Agreement therefore; or
- (c) The Developer does not submit evidence satisfactory to the Department that it has available the funds necessary for the construction of the Improvements on the Property by the time provided in this Agreement therefor; or
- (d) The Developer does not pay the purchase price for and take title to the Property at the time and upon the conditions specified in this Agreement; provided, however, the City has performed its part of this Agreement; and any such default and failure shall not be cured within thirty (30) days after written demand by the Department, then the City, in addition to the remedies specified in Section, Duty to Cure Default, of this Article, shall have the right, at its option, to terminate this Agreement, and any rights of the Developer, or any assignee or transferee, in this Agreement, or arising therefrom with respect to the City, the Department, or the Property, in which event, the down payment may be retained by the City at its sole option, as liquidated damages and as its property without any deduction, offset or recoupment whatsoever. Neither the Developer, its assignee or transferee, nor the City and the Department shall have any further rights against or liability to the other under this Agreement, following termination under this Paragraph.

Notice by either party. A notice of communication under this Agreement by either the City or the Department, on the one hand, to the Developer, or, on the other, by the Developer to the City or the Department, shall be sufficiently given or delivered if dispatched by Certified Mail, postage prepaid, return receipt requested.

- (a) In the case of a notice or communication to the Developer, if addressed as follows:

Lorie A. Mayora
Unit South Durham Homestead House, Inc
12 (12-14) South Durham
Baltimore, Maryland 21231

- (b) In the case of a notice or communication to the City or the Department, if addressed as follows:

Commissioner
Department of Housing and Community Development
417 E. Fayette Street
Baltimore, Maryland 21202

(c) In case such notice or communication is addressed in such other way in respect to any of the foregoing parties as that party may, from time to time designate in writing, dispatched as provided in this paragraph.

Amendments. Any amendment to this Agreement must be executed in writing and with the same formality as this Agreement.

Approvals and Consents. Wherever in this Agreement the approval, certification or consent of any party hereto is required, it is understood and agreed that such approval will not be unreasonably withheld or delayed.

Provision Not Merged with Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring title to the Property or any part thereof from the City to the Developer, its successors or assigns, and such deed shall not be deemed to affect or impair the provisions and convenience of this Agreement.

Final Agreement. This Agreement contains the final and entire agreement and understanding of the parties, and any terms and conditions not set forth in this Agreement are not a part of this Agreement and the understanding of the parties hereto.

Incorporation into Agreement. All exhibits, schedules, and recital attached hereto form a part of this Agreement and are incorporated herein by reference.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf by the Commissioner of Department of Housing and Community Development, and its seal to be hereunto duly affixed and attested by its Custodian of the City Seal, and the Developer has executed this Agreement and caused the same to be duly witnessed on the day and year first above written.

ATTEST:

Custodian of the City Seal

Alternate

MAYOR AND CITY COUNCIL OF BALTIMORE

Paul T. Graziano, Commissioner
Department of Housing and Community
Development

BY:

WITNESS:

BY:

Unit South Durham Homestead House, Inc,
Developer

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Chief Solicitor

10/15/08

Date

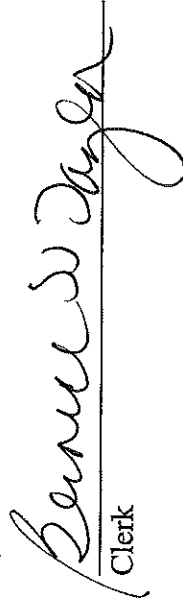
THIS IS TO CERTIFY, that the Commissioner of Department of Housing and Community Development has approved all the terms and conditions contained in the foregoing Agreement between the MAYOR AND CITY COUNCIL OF BALTIMORE and Unit South Durham Homestead House, Inc. and recommends that the foregoing Agreement be approved by the Board of Estimates.

DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

BY: _____

Paul T. Graziano, Commissioner
Department of Housing and Community
Development

The Board of Estimates, this _____ day of _____, 2008, acting upon the approval and recommendation of the Commissioner of the Department of Housing and Community Development, hereby approves the foregoing Agreement between the MAYOR AND CITY COUNCIL OF BALTIMORE and Unit South Durham Homestead House, Inc.

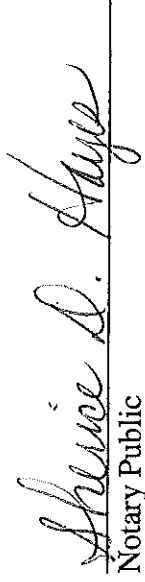

Clerk

DEC 24 2008

STATE OF MARYLAND, to wit:

I HEREBY CERTIFY that on this 16th day of November, 2008, before the subscriber, a Notary Public of the State of Maryland aforesaid, personally appeared Lorie A. Mayora.

AS WITNESS my hand and Notarial Seal.


Notary Public

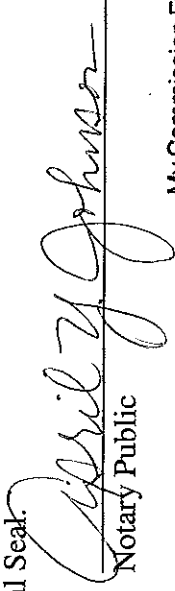
My Commission Expires: March 2009

STATE OF MARYLAND, to wit:

I HEREBY CERTIFY that on this 4th day of December, 2008, before the

subscriber, a Notary Public of the State of Maryland, aforesaid, personally appeared Paul T. Graziano, Commissioner of the Department of Housing and Community Development, and he acknowledged the foregoing Agreement to be the corporate act and deed of the Mayor and City Council of Baltimore.

AS WITNESS my hand and Notarial Seal.


Notary Public

My Commission Expires:
July 27, 2009

Schedule C

7 South Durham
Washington Hill Urban Renewal Area

COMMITMENT TO COMPLY

**WITH THE
MINORITY AND WOMEN'S BUSINESS ENTERPRISE PROGRAM
OF THE CITY OF BALTIMORE**

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MBE/WBE REQUIREMENT IS NOT APPLICABLE

Commitment to Comply

Revised 8/01

PROJECT DESCRIPTIONGeneral

- A. The project shall consist of the maintenance of this vacant lot as green space and eight (8) parking spaces for the eight (8) adjacent properties and shall be used solely for these purposes.
- B. Should Unit South Durham Homestead, Inc dissolve or change the use of the vacant lots, property ownership will revert to the City of Baltimore.

Site Plan

- C. The properties to be conveyed are located in the Washington Hill Urban Renewal Area.

Building Plan

- D. The project shall consist of the maintenance of this vacant lot as green space and eight (8) parking spaces for the eight (8) adjacent properties and shall be used solely for these purposes.

Method of Conveyance

- E. The City shall convey all of its rights, title and interest to the Developer by deed at purchase price, to be paid in full at the time of settlement.

Financing

- F. The project shall be financed through the use of private funds, a Purchase Money Mortgage (PMM) and Promissory Note (PN) and is summarized as follows:
- The appraised value and purchase price is Fifty Thousand Dollars (\$50,000.00).
 - Unit South Durham Homestead House, Inc. shall pay \$1.00 at time of settlement.
 - The remaining balance, Forty Nine Thousand Nine Hundred Ninety-Nine Dollars (\$49,999.00), will be wrapped into a PMM and PN.
 - The PMM and PN shall be forgivable in ten (10) years. If sold prior to or the use of the vacant lot changes before the expiration of the ten-year time frame the Developer will pay the City per the scale below:

YEAR	PERCENTAGE	AMOUNT DUE
1 year later	90%	\$44,999.10
2 years later	80%	\$39,999.20
3 years later	70%	\$34,999.30
4 years later	60%	\$29,999.40
5 years later	50%	\$24,999.50
6 years later	40%	\$19,999.60
7 years later	30%	\$14,999.70
8 years later	20%	\$9,999.80
9 years later	10%	\$4,999.90
10 years later	0%	0%

- e. See attached PMM and PN for further details.

SCHEDULE E

7 South Durham
Washington Hill Urban Renewal Area

**COMMITMENT TO COMPLY
WITH
PROGRAMMATIC AGREEMENT
AMONG**

**THE ADVISORY COUNCIL ON HISTORIC PRESERVATION,
THE BALTIMORE CITY DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT, AND THE MARYLAND STATE HISTORIC
PRESERVATION OFFICER REGARDING THE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

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**COMMITMENT TO COMPLY WITH PROGRAMMATIC AGREEMENT IS NOT
APPLICABLE.**

Commitment to Comply

Revised 08/01