

Resolution No. 2016- \_\_\_\_\_

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF HAVRE DE GRACE (“CITY”) PURSUANT TO THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND AND CITY CHARTER SECTIONS 34, 38, 39 AND 73 APPROVING THE FORM OF A CONTRACT OF SALE AND A MULTI-YEAR INSTALLMENT PURCHASE AGREEMENT BY THE CITY TO ACQUIRE THE LAND, BUILDINGS, PROPERTY AND OTHER IMPROVEMENTS AT 627 AND A PORTION OF 649 WATER STREET, HAVRE DE GRACE, MARYLAND, (“LAND”), FROM HARFORD COUNTY, UPON THE FULL FAITH AND CREDIT AND GENERAL OBLIGATION OF THE CITY TO BE APPROVED BY THE CITY VOTERS AT A SPECIAL CITY ELECTION HELD ON DECEMBER 27, 2016.**

**WHEREAS**, the Mayor and City Council are committed to providing water front access to the public, which access in the past had been denied or limited by private development of property; and

**WHEREAS**, Harford County and the City of Havre de Grace worked together to obtain public ownership of a tract of land along Water Street in the City pursuant to a Memorandum of Understanding dating back to October 17, 2014, which included the City of Havre de Grace expending Four Hundred Thousand Dollars (\$400,000.00) towards Harford County’s acquisition of the waterfront property from a private developer; and

**WHEREAS**, the plan had been for the tract of land to be designed and developed by Harford County and then turned over to the City for use as a public park; and

**WHEREAS**, Harford County has elected to allow the City to take over all aspects of the design and development of the tract of land and to give the City all of the credits available for its past contributions; and

**WHEREAS**, in exchange the City will reimburse Harford County for its net contribution for the acquisition costs for the tract of land; and

**WHEREAS**, the parties have negotiated in good faith and have agreed that the net contribution to be paid back to Harford County in exchange for the transfer of the tract of land to the City of Havre de Grace will be \$1,100,000.00 payable over twenty (20) years

with no interest, with annual payments of \$55,000.00 beginning in 2017 and have prepared a written Contract of Sale and an Installment Purchase Agreement to consummate the transaction; and

**WHEREAS**, the Mayor and City Council have determined that the final decision for the City to commit to expend \$1,100,000.00 and acquire of the tract of land for use as a waterfront park, rather than to seek the return of \$400,000.00 from Harford County, which could allow for private development for the entire tract, belongs with the City voters for approval, at a special City election to be held on December 27, 2016, which stipulation appears in the Contract of Sale and the Installment Purchase Agreement; and

**WHEREAS**, the Mayor and City Council have determined that it is in the best interest of the City to enter into the Contract of Sale and the Installment Purchase Agreement with Harford County with the noted stipulation.

**NOW THEREFORE**, be it determined, decided and resolved by the Mayor and City Council of Havre de Grace that:

1. The Installment Purchase Agreement and the Contract of Sale shall be in substantially the form attached hereto as Exhibit A and made a part hereof, and in such form the Contract of Sale and the Installment Purchase Agreement of are hereby approved as to form and content. The Installment Purchase Agreement and the Contract of Sale shall be dated as of the date of its execution by the Mayor and exchanged by the City and Harford County at the closing for the acquisition;
2. The acquisition of the Land and the form of the Contract of Sale and the Installment Purchase Agreement attached hereto as Exhibit A have been determined by the Mayor and City Council to be in the best interests of the City, which Land shall be used for the public purpose of a waterfront park;
3. The only practical way to acquire the Land for the City to use as a waterfront park is by private negotiated agreement between the City and Harford County in the form of the Contract of Sale and the Installment Purchase Agreement;
4. That the Contract of Sale and the Installment Purchase Agreement, after approval by the City voters, is authorized to be signed by the Mayor of the City (the "Mayor") by his manual signature, and the Installment Purchase Agreement and the Contract of Sale shall bear the corporate seal of the City, attested by the manual signature of the Director of Administration of the City;

5. The final approval of the decision for the City of Havre de Grace to spend \$1,100,000.00 and acquire the Land from Harford County for use as a waterfront part as set forth in the Installment Purchase Agreement and the Contract of Sale shall be with the City voters by vote on a ballot question at a special City election on December 27, 2016.

WITNESS/ATTEST:

MAYOR AND CITY COUNCIL OF  
HAVRE DE GRACE, MARYLAND

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Patrick D. Sypolt,  
Director of Administration

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William T. Martin, Mayor

Introduction/Passage:            November 21, 2016

**INSTALLMENT PURCHASE AGREEMENT**

THIS INSTALLMENT PURCHASE AGREEMENT is made as of the \_\_\_ day of January\_\_\_\_\_, 2017\_\_\_\_ between Harford County, Maryland, a body politic and corporate of the State of Maryland, ("Seller" or "County") and the Mayor and City Council of Havre de Grace, a Maryland municipal corporation ("Buyer" or "City").

**RECITALS**

WHEREAS, the County is the owner in fee simple of four parcels (parcel 460, 461, 472 and 470), being certain real property and improvements located in Havre de Grace, Maryland, commonly known as 627 and a portion of 649 Water Street and more particularly described in the attached Exhibit A ("Land"). Parcel 463, also known as 649 Water Street, is not part of the Land. Pursuant to a Contract of Sale dated November \_\_\_\_\_ January 3 \_\_\_\_\_, 2016~~76~~ (the "Sale Agreement"), the Seller agreed to sell the Land to the City for \$1,100,000.00, and the City agreed to pay the purchase price to the County by a payment of \$25,000.00 on the Closing Date, \$30,000.00 on September 15, 2017, and in 19~~20~~ consecutive equal annual installments of principal, beginning on September 15, 2018~~the Closing Date November 17, 2017.~~

WHEREAS, the obligation of the City to purchase the Land from the County is subject to approval by a majority of votes in the City at a referendum election to be conducted prior to December 31, 2016 and the enactment by the Mayor and City Council of the City of an ordinance approving the debt to be incurred by the City to purchase the Land.

WHEREAS, the City intends to use the Land for the public purpose of a waterfront park.

**AGREEMENTS**

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the Seller and the City hereby agree as follows:

**ARTICLE 1**

**DEFINITIONS**

SECTION 1.1. Definitions. As used in this Agreement, the following terms have the following meanings, unless the context clearly indicates a different meaning:

"Business Day" or "business day" means a day on which (a) banks located in the County are not required or authorized by law or executive order to close for business, and (b) The New York Stock Exchange is not closed.

EXHIBIT A

“Closing Date” means January 3, 2017, or a the-business day selected by the Seller by 15 days written notice to the City, which shall be not later than January 10, 2017, on or about January 3, 2017no later than \_\_\_\_\_, and corresponding to the date hereof.

“County” means Harford County, Maryland.

“City” means Mayor and City Council of Havre de Grace, a municipal corporation created and existing under and by virtue of the Constitution and laws of the State, its successors and assigns.

“City Council” means the City Council of Havre de Grace.

“Mayor” means the Mayor of Havre de Grace.

“Deed” means the ~~Quit Claim Deed~~ dated the Closing Date from the Seller to the City, which shall convey the Land “as is” as to title and physical condition to the City in perpetuity.

“Enabling Legislation” means, collectively, (1) Section 37, 38, 39 and 73 of the City Charter and (2) a Resolution adopted by the Mayor and City Council on November \_\_\_\_\_, 2016 and (3) Ordinance No. \_\_\_\_\_ enacted by the Mayor and City Council on January 3, 2017\_\_\_\_\_, signed by the Mayor on \_\_\_\_\_January 3, 2017, and effective \_\_\_\_\_January 3, 2017 but subject to a referendum vote of the City voters on December 27, 2016\_\_\_\_\_ and Harford County Council ResolutionBill No. 021-16, As Amended\_\_\_\_\_ ~~adopted~~enacted on October 4, 2016\_\_\_\_\_.

“Land” means the tract of land located in Havre de Grace, Maryland, composed of 4 lots known as 627 Water Street and a portion of 649 Water Street, Havre de Grace, Maryland, and more particularly described in the attached Exhibit A and the proposed Deed and made a part thereof and by reference a part hereof.

“Person” or “person” means any natural person, firm, association, corporation, company, trust, partnership, public body or other entity.

“Purchase Price” means One Million One Hundred Thousand Dollars (\$1,100,000.00), the purchase price to be paid by the City to the County in accordance with this Agreement.

“Seller” means Harford County, Maryland.

“State” means the State of Maryland.

SECTION 1.2. Rules of Construction. The words “hereof”, “herein”, “hereunder”, “hereto”, and other words of similar import refer to this Agreement in its entirety.

## EXHIBIT A

The term "agree" and "agreements" contained herein are intended to include and mean "covenant" and "covenants".

References to Articles, Sections, and other subdivisions of this Agreement are to the designated Articles, sections, and other subdivisions of this Agreement.

The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

### ARTICLE II

#### SALE AND PURCHASE OF REAL PROPERTY

SECTION 2.1. Agreement to Sell and Purchase Land. Upon approval by referendum election of the debt to be incurred by the City and enactment of an Ordinance ("Ordinance") by the City, the Seller agreed to sell and transfer the Land by ~~quit claim~~ deed conveying the Land "as is" as to title and physical condition to the City and the City agrees to purchase and acquire the Land from the Seller on the date hereof for a purchase price of \$1,100,000.00.

SECTION 2.2. Delivery of Deed. In order to evidence and complete the sale of the Land to the City, the Seller shall execute and deliver to the City on the Closing Date the Deed. The Deed shall be recorded among the Land Records of Harford County, Maryland at the expense of the City.

### ARTICLE III

#### PAYMENT OF PURCHASE PRICE

SECTION 3.1. Payment of Purchase Price.

(a) The City shall pay ~~at the portion of the Purchase Price in the amount of Fifty-Five Thousand Dollars (\$55,000.00)~~ in the amount of Twenty-Five Thousand Dollars (\$25,000.00) to the County on the Closing Date and shall pay the balance of the Purchase Price to the County on the Closing Date and shall pay the balance of the Purchase Price to the County in a payment of Thirty Thousand Dollars (\$30,000.00) on September 15, 2017 and nineteen (19) ~~twenty~~ twenty ~~nineteen~~ nineteen (2019) equal annual installments in the amount of \$55,000.00, without interest, each beginning on the 15<sup>th</sup> day of September, 2018 ~~\_\_\_\_\_~~ 17th day of ~~\_\_\_\_\_~~ November, 2017, in the amounts and pursuant to the attached schedule hereto marked Exhibit B.

(b) The City has the absolute right to make prepayments of the entire unpaid balance hereunder at any time.

**ARTICLE IV**

**MISCELLANEOUS**

SECTION 4.1. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, personal representatives, successors and assigns.

SECTION 4.2. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

SECTION 4.3. Prior Agreements Canceled; No Merger. This Agreement shall completely and fully supersede all other prior agreements, both written and oral, between the City and the Seller relating to the acquisition of the Land. Neither the City nor the Seller shall hereafter have any rights under such prior agreements but shall look solely to this Agreement and the Deed for definitions and determination of all of their respective rights, liabilities and responsibilities relating to the Land and the payment for the Land. In addition, this Agreement shall survive the execution and recording of the Deed in all respects and shall not be merged therein.

SECTION 4.4. Amendments, Changes and Modifications. This Agreement may not be amended, changed, modified, altered or terminated except by an agreement in writing between the City and the County.

SECTION 4.5. No Personal Liability of City or County Officials. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, officer, agent or employee of the City or County in his or her individual capacity, and neither the officers or employees of the City or the County nor any official executing this Agreement shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 4.6. Governing Law. The laws of the State of Maryland shall govern the construction and enforcement of this Agreement.

SECTION 4.7. Notices. Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals, certificates or other communications required under this Agreement to be in writing shall be sufficiently given and shall be deemed to have been properly given three Business Days after the same is mailed by certified mail, postage prepaid, return receipt

**EXHIBIT A**

requested, addressed to the person to whom any such notice, demand, request, approval, certificate or other communication is to be given, at the address for such person designated below:

City: Mayor and City Council of Havre de Grace, Maryland  
City Hall  
711 Pennington Avenue  
Havre de Grace, Maryland 21078  
Attention: Director of Finance

Seller: Harford County, Maryland  
220 S. Main Street  
Bel Air, Maryland 21014  
Attention: County Executive

Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, demands, requests, consents, approvals, certificates or other communications shall be sent hereunder.

SECTION 4.8. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall not be a Business Day, such payment may, unless otherwise provided in this Agreement, be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the normal date provided in this Agreement.

WITNESS the signatures and seals of the parties hereto as of the date first above written.

ATTEST:

**MAYOR AND CITY COUNCIL  
OF HAVRE DE GRACE**

\_\_\_\_\_  
Patrick D. Sypolt,  
Director of Administration

By: \_\_\_\_\_ (SEAL)  
William T. Martin, Mayor

**HARFORD COUNTY, MARYLAND**

**EXHIBIT A**

\_\_\_\_\_  
Billy Boniface,  
Director of Administration

\_\_\_\_\_  
Barry Glassman, County Executive

(SEAL)

APPROVED FOR LEGAL SUFFICIENCY:

APPROVED FOR LEGAL SUFFICIENCY:

\_\_\_\_\_  
Paul W. Ishak, Esquire  
City Attorney

\_\_\_\_\_  
Melissa Lambert, Esquire  
County Attorney

EXHIBIT A

Land Description

## Exhibit A

### Land Description

#### 649 Water Street

All those lots or parcels of land located on the East and West Sides of Water Street, in the City of Havre de Grace, in the SIXTH ELECTION DISTRICT of Harford County, Maryland, and more particularly described as follows:

Parcel No. 1: BEGINNING at a point on the east side of Water Street, 45 feet wide, at a point at the end of the first or South 15 degrees 00 minutes East 168 foot line of a confirmatory deed from Thomas O. Blackson and Mildred A. Blackson, his wife to J. Lawson Gilbert, Distributor, Inc. dated June 15, 1966, and recorded among the Land Records of Harford County, Maryland in Liber 714, Page 590, said point also being distant South 23° 06' 13" East 281.67 feet from the beginning point of the first herein-described parcel, said beginning point having coordinates of North 688,365.65 feet and East 1,568,465.16 feet, thence binding on the said street and binding reversely on the said first line, as now surveyed, with bearings referred to the Maryland Coordinate System (NAD'83/91).

1. North 23° 06' 13" West 168.00 feet to the beginning point of the aforesaid deed, said point being located approximately 0.2 feet east of the east face and approximately 0.7 feet north of the north face of an existing brick building, said point also being at the end of the fourth or south seventy-five degrees, thirty minutes west three hundred and thirty-eight foot, ten inch line of a deed from Norman William Price, David B. Price and Kenneth F. Price to Michael Vincent Jeppi, dated July 3, 2002 and recorded among the aforesaid Land Records in Liber 4080, folio 0424, thence leaving the said street and binding reversely on the fifth and sixth lines of the first mentioned deed and binding reversely on part of the said fourth line,
2. North 66° 36' 47" East 228.69 feet to a point and to intersect the east face of a bulkhead on the west side of the Susquehanna River, thence binding on the said bulkhead and the said river, ten courses, viz:
  3. South 20° 07' 24" East 8.78 feet,
  4. North 72° 04' 28" East 24.88 feet,
  5. North 63° 09' 14" East 29.24 feet,
  6. North 67° 06' 25" East 51.36 feet,
  7. South 35° 46' 09" East 5.25 feet,
  8. North 87° 31' 25" East 11.77 feet,
  9. South 25° 13' 43" East 50.92 feet,
  10. South 22° 38' 06" East 26.83 feet,
  11. North 68° 31' 12" East 3.39 feet, and
  12. South 24° 46' 57" East 71.05 feet, thence leaving the said bulkhead and the said river, binding reversely on the third line of the first-mentioned deed and binding on the northerly outline of a parcel of land now reported as being owned by the Mayor and City Council of the City of Havre de Grace,

13. South 66° 36' 47" West 352.86 feet to the place of beginning. CONTAINING 1.3171 acres of land, more or less. The improvements thereon being known as No. 649 Water Street, Havre de Grace, MD 21078. (Tax I.D. No. 06-018882, Parcel No. 472)

Parcel Nos. 2 and 3: BEGINNING at a point on the west side of Water Street, 45-feet wide, as now located, said point being at the end of the first or north 100 foot line of a deed from Diamond Ice and Coal Company to J. Lawson Gilbert, Distributor, Inc., dated August 30, 1962, and recorded among the Land Records of Harford County, Maryland in Liber 600, Page 513, said beginning point having coordinates of North 688, 896.33 feet and East 1,568,154.55 feet, thence binding on the said Water Street and binding in part reversely on the said first line and binding in part reversely on the first or northwesterly 100 foot line of a deed from J. Lawson Gilbert and Stella M. Gilbert, his wife to J. Lawson Gilbert, Distributor, Inc. dated February 3, 1956 and recorded among the said Land Records in Liber 475, Page 384, as now surveyed, with bearings referred to the Maryland Coordinate System (NAD'83/91), two courses, viz:

1. South 34° 40' 57" East 161.73 feet, and
2. South 23° 06' 13" East 40.91 feet to a point at the northeast corner of Lot No. 17 in Square No. 228 on Hopper's Map of the City of Havre de Grace, thence leaving the said Water Street and binding reversely on the fourth line of the last mentioned deed and binding on the northwesterly outline of Lots 17 and 44 in Square 228 of the said Hopper's Map,
3. South 65° 40' 07" West 171.34 feet to a point and to intersect the easterly side of Pearl Street, 45-feet wide, thence binding on the said Pearl Street and binding in part reversely on the third line of the last mentioned deed and binding in part reversely on the third line of the first mentioned deed,
4. North 23° 58' 02" West 200.00 feet, thence leaving the said Pearl Street and binding reversely on the second line of the first mentioned deed,
5. North 65° 40' 07" East 141.89 feet to the place of beginning. CONTAINING 0.7343 acres of land, more or less. The improvements thereon being known as No. 649 Water Street, Havre de Grace, MD 21078 (Tax I.D. Nos. 06-018866, Parcel No. 461, and 06-018874, Parcel No. 460)

Together with all right, title and interest in and to the muds, flats, bulkhead, pilings, piers, accretion, filled lands and lands between the high and low water marks of the Susquehanna River as provided by law, and especially all riparian rights appurtenant thereto.

BEING all that lot or parcel of land described in the Deed dated November 25<sup>th</sup>, 2014, between MTBR Yacht Club LLC and Harford County, Maryland, and recorded among the land records of Harford County, Maryland in Liber 11034, folio 457.

### **627 Water Street**

All that lot or parcel of land situate in the City of Havre de Grace, in the SIXTH ELECTION DISTRICT of Harford County, State of Maryland, known as "Wharf Lot No. 3 on plat of Stokes or Ferry House Lot", being more particularly described as follows:

BEGINNING for the same at a stone on the east side of Water Street at the division line between Wharf Lots Nos. 2 and 3, as shown on the plat recorded among the land records of Harford County in Liber HD No. 23 folio 87 & c., and being the beginning of the lot of ground described in a deed from Charles E. Hitchcock, Executor to the Knickerbocker Ice Company, dated April 28<sup>th</sup>, 1899 and recorded among the land records aforesaid in Liber WSF No. 96 folio 149 & c., and running thence North Fourteen degrees Thirteen minutes West one hundred and Thirteen feet, eight inches to the division line between Wharf Lot Nos. 3 and 4 and thence North seventy-five degrees, Thirty minutes East binding thereon Three hundred and Thirty-eight feet ten inches to a point in the water of the Susquehanna River; thence South Fourteen degrees, Thirteen minutes East one hundred and Thirteen feet, eight inches to the division line between Wharf Lot Nos. 2 and 3, as shown on said Plat and thence South seventy-five degrees, Thirty minutes West binding on said line Three hundred and Thirty-eight feet, ten inches to the place of beginning. The improvements thereon being known as no. 627 Water Street, Havre de Grace, MD 21078 (Tax I.D. No. 06-030645, Parcel No. 470)

Together with all right, title and interest in and to the muds, flats, bulkhead, pilings, piers, accretion, filled lands and lands between the high and low water marks of the Susquehanna River as provided by law, and especially all riparian rights appurtenant thereto.

BEING all that lot or parcel of land described in the Trustees' Deed dated February 7<sup>th</sup>, 2014, between Curtis C. Coon and David H. Cole, Successor Trustees, and Harford County, Maryland, and recorded among the land records of Harford County, Maryland in Liber 10661, folio 487.

**EXHIBIT B**Dates and Amounts of Purchase Price

<u>Date</u>	<u>Amount</u>
1/03/2017	\$25,000.00
9/15/2017	\$30,000.00
9/15/2018	\$55,000.00
9/15/2019	\$55,000.00
9/15/2020	\$55,000.00
9/15/2021	\$55,000.00
9/15/2022	\$55,000.00
9/15/2023	\$55,000.00
9/15/2024	\$55,000.00
9/15/2025	\$55,000.00
9/15/2026	\$55,000.00
9/15/2027	\$55,000.00
9/15/2028	\$55,000.00
9/15/2029	\$55,000.00
9/15/2030	\$55,000.00
9/15/2031	\$55,000.00
9/15/2032	\$55,000.00
9/15/2033	\$55,000.00
9/15/2034	\$55,000.00
9/15/2035	\$55,000.00
9/15/2036	\$55,000.00

## CONTRACT OF SALE

**THIS CONTRACT OF SALE** (this "Contract") is made this \_\_\_\_ day of ~~November~~ January, 2016~~76~~ (the "Contract Date") by and between **THE MAYOR AND CITY COUNCIL OF HAVRE DE GRACE**, a municipal corporation of the State of Maryland ("Buyer"), and **HARFORD COUNTY, MARYLAND**, a body corporate and politic of the State of Maryland ("Seller"). Seller does sell to Buyer and Buyer does purchase from Seller the property described herein (the "Property") upon the following terms and conditions.

1. Description of Property. Approximately 2.92 acres of land, more or less, together with all improvements thereon and all rights and appurtenances thereto belonging or otherwise thereto appertaining, being all that Property conveyed to Seller by (a) deed dated February 7, 2014 from Curtis C. Coons and David H. Cole, Successor Trustees and recorded among the Land Records of Harford County in Liber 10661, folio 487 and known as 627 Water Street (parcel 470; SDAT Tax Account No. 06-030645), and (b) deed dated November 25, 2014 from MTBR Yacht Club LLC and recorded among the Land Records of Harford County in Liber 11034, folio 457 and known as a portion of 649 Water Street (parcels 472, 461 and 460; SDAT Tax Account Nos. 06-018882, 06-018866 and 06-018874, respectively). Parcel 463, also known as 649 Water Street, is not part of the Property.

2. Purchase Price. The purchase price (the "Purchase Price") for the Property shall be One Million One Hundred Thousand Dollars (\$1,100,000.00), which shall be payable as follows:

~~a. A portion of the Purchase Price in the amount of Fifty-Five Thousand Dollars (\$55,000.00) shall be paid to Seller at Settlement (hereinafter defined in Section 4).~~

a. A portion of the Purchase Price in the amount of Twenty-Five Thousand Dollars (\$25,000.00) shall be paid to Seller at Settlement (hereinafter defined in Section 4).

~~b. The balance of the Purchase Price shall be paid to Seller in a payment of Thirty Thousand Dollars (\$30,000.00) on September 15, 2017 and thereafter in nineteen (19) ~~twentynineteen (2019)~~ equal annual installments in the amount of Fifty-Five Thousand Dollars (\$55,000.00) each, as set forth in the Installment Purchase Agreement entered into between the parties, dated the date of Settlement (the "IPA") and attached hereto as Exhibit A, the terms of which shall be delivered to Seller at Settlement and the terms of which shall survive Settlement.~~

~~c. The Seller shall use the proceeds of the Purchase Price only for governmental purposes and the specific use shall be determined by the Seller within two years of Settlement.~~

3. Estate Conveyed. The Property shall be conveyed at Settlement in fee simple free of all leases and occupancies of any nature whatsoever. The Property is not now and shall not be, as of Settlement, subject to any leases, licenses, occupancy or other possessory rights of any kind. After the date hereof, Seller shall not enter into any leases of any nature whatsoever.

4. Settlement. Subject to all conditions of this Contract, settlement on the sale and purchase of the Property ("Settlement") shall occur not later than January 10, 2017, time being of the essence~~forty two (42) days from the Contract Date.~~

Settlement shall occur at a time and location within Harford County, Maryland to be agreed upon by Buyer and Seller.

5. Escrow Agreements. The Seller entered into an escrow agreement dated November 25, 2014 with MTBR Yacht Club, LLC and Getz Law Firm as escrow agent and an escrow agreement dated February 6, 2014 with Stonebridge Bank and Getz Law Firm as escrow agent (the "Escrow Agreements") which the Seller shall on the Settlement Date assign to the Buyer. The Buyer agrees to comply with the terms of both Escrow Agreements and indemnify the Seller and hold the Seller harmless of and from the obligations of the Seller thereunder. The separate assignments are subject to the approval of Stonebridge Bank and MTBR Yacht Club, LLC, respectively, which shall be delivered on or before Settlement.

6. Satisfaction of Conditions; Waiver. It is an absolute condition to Buyer's obligation to acquire the Property that at Settlement: (i) all conditions relating to the Property, as set forth in this Contract, are absolutely met; (ii) all representations and warranties of Seller are true and correct in all material respects; (iii) Seller has fully performed all its obligations under this Contract; (iv) Buyer has received Referendum approval of the IPA; (v) the Mayor and City Council of the Buyer has enacted an ordinance (the "Ordinance") authorizing and approving this Contract of Sale and the debt to be incurred and paid pursuant to the IPA; and (vi) a resolution of the County Council of the Seller, declaring the Property to be surplus and authorizing the sale of the Property to the Buyer has been approved. If the foregoing conditions are not met, Buyer shall have the absolute right to terminate this Contract and neither party shall have any further liability to the other as to this contract. Buyer, in its sole discretion, may waive any condition otherwise permitting its termination of this Contract and proceed to Settlement. No waiver shall be enforceable against Buyer unless in writing and specifically addressing the condition to be waived. No action or failure to act by Buyer may constitute a waiver.

7. Representations and Warranties of the Buyer. The Buyer makes the following representations and warranties:

(a) The Buyer is a municipal corporation of the State.

(b) The Buyer after the approval of the City voters at a special- City referendum election has the necessary power and authority to acquire the Property, to enter into this Contract, to perform and observe the covenants and agreements on its part contained in this Contract and to carry out and consummate all transactions contemplated hereby. By proper action, the Buyer has duly authorized the execution and delivery of this Contract.

(c) This Contract has been duly and properly authorized, executed, sealed and delivered by Resolution and Ordinance of the City Council of the Buyer, constitutes the valid and legally binding obligation of the Buyer, and is enforceable against the Buyer in accordance with its terms.

(d) There are no proceedings pending or, to the knowledge of the Buyer, threatened before any court or administrative agency which may affect the authority of the Buyer to enter into this Contract.

(e) Pursuant to the Ordinance, the Buyer's obligation to make payments of the Purchase Price hereunder is a general obligation of the Buyer, and the full faith and credit and unlimited taxing power of the Buyer are irrevocably pledged to the full and prompt payment of the Purchase Price as and when the installment payments become due and payable.

(f) The Property shall be used only for a public park until the Purchase Price is paid in full, and no other use may be made of the Property. Ownership of the Property may not be transferred or assigned by the Buyer, nor may the Property be the subject of private use until after payment in full of the Bonds by the Seller described in Section 14.

(g) The Seller will be relieved of paying \$200,000.00 towards any environmental clean-up costs associated with the Property as noted in the Memorandum of Understanding dated October 17, 2014 (the "MOU"). The Buyer had previously paid \$400,000.00 to the entity which sold the Property to the Seller and at the time of acquisition of the Property \$200,000.00 was deposited in escrow ("Escrow Account") to be utilized for environmental clean-up by the Seller.

8. Representations and Warranties of the Seller. The Seller makes the following representations and warranties:

(a) The Seller has full power and authority to execute and deliver this Contract and the Deed, and to incur and perform the obligations provided for herein and therein. No consent or approval of any person or public authority or regulatory body is required as a condition to the validity or enforceability of this Contract or the Deed, or, if required, the same has been duly obtained.

(b) This Contract and the Deed have been duly and properly executed by the Seller, constitute valid and legally binding obligations of the Seller, and are fully enforceable against the Seller in accordance with their respective terms.

(c) There is no litigation or proceeding pending or, so far as the Seller knows, threatened before any court or administrative agency which, in the opinion of the Seller, will materially adversely affect the authority of the Seller to enter into, or the validity or enforceability of, this Contract or the Deed.

(d) There is (i) no provision of any existing mortgage, indenture, contract or agreement binding on the Seller or affecting the Property, and (ii) to the knowledge of the Seller, no provision of law or order of court binding upon the Seller or affecting the Property, which would conflict with or in any way prevent the execution, delivery, or performance of the terms of this Contract or the Deed, or which would be in default or violated as a result of such execution, delivery or performance, or for which adequate consents, waivers or, if necessary, subordinations, have not been obtained.

(e) There are no existing liens, encumbrances or security interests on or with respect to the Property (other than Permitted Encumbrances).

(f) The Seller hereby assigns all right, title and interest in the sales contract dated November 10, 2014, between the Seller and MTBRHB Yacht Club, LLC and the Escrow Account (subject to the approval of MTBRHB Yacht Club) associated therewith to the Buyer; and the Seller has done no act to release, spend or waive its rights to the funds in the Escrow Account.

(g) The Seller hereby assigns all right, title and interest in the sales contract dated February 5, 2014, between the Seller and Stonebridge Bank and the Escrow Account (subject to the approval of Stonebridge Bank) associated therewith to the Buyer.

9. Condition of the Property. The land and any improvements constituting the Property are being sold, and shall be conveyed to Buyer at Settlement in the same "AS IS" condition as they are on the Contract Date, reasonable wear and tear excepted. From and after the Contract Date, Seller shall not, without the prior written consent of Buyer, enter into any contract relating to the Property (unless such contract is terminable on not more than thirty (30) days' notice or expires prior to the date for Settlement).

10. Risk of Loss. The Property is to be held at the risk of Seller until Settlement.

11. Deed and Title. Upon payment as above provided of the unpaid purchase money, a ~~special warranty quitclaim deed~~ (the "Deed") conveying for the Property "as is" as to title and physical condition shall be executed at Buyer's expense by Seller, which shall convey the Property to Buyer. Title to the Property shall be good and merchantable, free of warranty liens, encumbrances and other exceptions of every nature except for the exceptions permitted by this Section 11.

Buyer shall examine title and notify Seller of any objections, in writing, within the Study Period (the "Title Review Period"). The Title Review Period shall end on December 23, 2016, time being of the essence. If Buyer fails to notify Seller of any objections prior to the end of the Title Review Period, title shall be deemed to be acceptable. If Buyer determines that the status of title is not acceptable, Buyer shall so notify Seller in writing and Seller shall, within ten (10) days after the date of Buyer's notice, advise Buyer in writing that it will either: (i) correct or eliminate the title objections at its sole cost and expense; or (ii) refuse to correct or eliminate the objections. If Seller fails to timely respond, Seller shall be deemed to have elected not to remediate the objections. If Seller elects to remediate the objections, it shall do so as soon as is practical and complete the same, in any event, at least five (5) days prior to Settlement. If Seller refuses to correct or eliminate the objections or is deemed to have refused to do so; or (ii) terminate this Contract. Buyer shall make its election by written notice to Seller within fifteen (15) days after receipt of Seller's refusal to do so or, in the case of Seller's failure to respond, the end of Seller's ten (10) day response period. If Buyer does not make an election to waive its objection(s), then Buyer shall be deemed to have terminated this Contract.

Seller agrees not to further encumber the Property or cause any change in the status of title after the Contract Date.

12. Deliveries at Settlement. Seller shall execute and deliver to the title company conducting the Settlement a customary form of affidavit and indemnification agreement with

respect to Seller's knowledge regarding the use and/or occupancy of the Property and other title matters.

13. Adjustments, Costs. Real estate taxes, assessments and other sums payable with respect to special public improvements to or for the benefit of the Property which are payable on an annual basis, utilities or other normal adjustment items shall be adjusted as of the date of Settlement and assumed by Buyer thereafter.

The Buyer and the Seller believe that there will be no recordation or transfer taxes payable on the deed; however, if recordation and/or transfer taxes are assessed, they shall be paid by the Buyer. The Buyer shall pay the costs of title examination, surveys required by it or its lender, title insurance, customary title company settlement charges, notary fees, and the cost of all recording fees with respect to financing the Property. Each party shall pay its own attorneys' fees.

14. Possession and Use. Possession of the Property shall be given to Buyer at time of Settlement free of all tenancies and rights of occupancy of any kind. Buyer understands that a portion of the purchase price paid by the Seller when it acquired the Property were a portion of proceeds of tax exempt bonds sold by the Seller ("Bonds"), and Buyer agrees that the Property shall only be used as a public park or other public purpose while the Bonds are outstanding, and no private use may be made of the Property. Any change in use by the Buyer prior to 2036~~5~~ shall be conditioned upon an opinion of bond counsel delivered to and reasonably acceptable to the Seller. The terms of this Section 14 shall survive Settlement.

15. Default and Remedies. If Buyer or Seller fail to perform all the terms and provisions of this Contract as agreed, then a default can be declared. Prompt written notice of the declaration of the default shall be given by Buyer or Seller declaring a default by the other and, if any such declared default is not cured within ten (10) days after such written notice, then a "Buyer Default" or a "Seller Default" (as the case may be) shall be deemed to have occurred under this Contract.

Upon the occurrence of a Default, Buyer and Seller shall each have the right to pursue any and all remedies available to it.

In the event that any legal proceedings are initiated with respect to a Default, the prevailing party shall be entitled to an award for its reasonable attorneys' fees and court costs incurred in connection with such proceedings.

16. Internal Revenue Service Filing. Buyer and Seller each agree to cooperate with the person responsible for Settlement by providing all necessary information so that a report can be filed with the Internal Revenue Service. This report is required by Section 6405 of the IRS Code (as amended by Section 1521 of the Tax Reform Act of 1986) and the regulations promulgated thereunder. Seller represents that Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined by the Internal Revenue Code and applicable regulations) and agrees to execute an affidavit to this effect at the time of settlement.

17. Entire Contract, Miscellaneous. This Contract with exhibits contains the final and entire contract between the parties hereto and they shall not be bound by any terms, conditions, or representations not herein written. All purported modifications are valid only if in writing and duly

executed and delivered by the parties. The parties agree that this Contract or any addenda, extensions or modifications shall be deemed validly executed and delivered by a party if that party executes the said addenda, extensions or modifications and delivers a copy of same to the other party by "FAX" or telecopier, provided the original, executed document is thereafter promptly delivered to the other party. The headings in this Contract are for convenience and reference only and in no way define or limit the intent, rights, or obligations of the parties hereunder.

18. Timeliness. TIME IS OF THE ESSENCE IN THIS CONTRACT, that is, Buyer and Seller are obligated to meet their responsibilities punctually; at time or within period specified or risk declaration that the Contract has been breached. If the expiration of any time period measured in days occurs on a Saturday, Sunday, or legal holiday, such expiration date shall automatically be extended to the next day which is not a Saturday, Sunday, or legal holiday.

19. Governing Law. This Contract shall be governed by, and its provisions construed in accordance with, the laws of the State of Maryland.

20. Binding Nature. The parties hereto bind themselves and their assigns for the faithful performance of this Contract.

21. Notices. Any notice to be given to or to be served upon any party hereto in connection with this Contract must be in writing, may be given by (i) certified or registered mail and shall be deemed to have been given and received when a certified or registered letter containing such notice, properly addresses, with postage prepaid is deposited in the United States mails, (ii) a nationally recognized overnight delivery service (e.g. federal express), (iii) hand delivery against receipt, or (iv) by verifiable facsimile transmission provided to the numbers set forth below; and if given otherwise than by one of the methods described above, it shall be deemed to have been given when delivered to and received by the party to whom it is addressed. Such notices shall be given to the parties hereto at the following addresses (or to such other addresses as shall be provided by a party in a written notice to the other given in compliance with this Section):

a. Seller. Harford County, Maryland, 220 S. Main Street, Bel Air, Maryland 21014, Attention: County Executive.

b. Buyer. The Mayor and City Council of Havre de Grace, City Hall, 711 Pennington Avenue, Havre de Grace, Maryland 21078, Attention: Director of Finance.

[SPACE INTENTIONALLY BLANK – SIGNATURES ON FOLLOWING PAGES]

WITNESS the hands and seals of the parties hereto:

WITNESS:

SELLER:

**HARFORD COUNTY, MARYLAND,**  
a body corporate and politic of the State of Maryland

By: \_\_\_\_\_ (SEAL)

Name: Barry Glassman  
Title: County Executive

BUYER:

**THE MAYOR AND CITY  
COUNCIL OF HAVRE DE GRACE,**  
a municipal corporation of the State of Maryland

By: \_\_\_\_\_ (SEAL)

Name: William T. Martin  
Title: Mayor

Approved for Legal Sufficiency:

Melissa Lambert~~Steve Winter~~, Esquire  
County Attorney~~Special Counsel~~ for Harford County, Maryland

Paul W. Ishak, Esquire  
City Attorney for Havre de Grace, Maryland



**EXHIBIT A**

**Installment Purchase Agreement**

See attached true and correct copy.