



Council of the Town of Leonardtown
Ordinance No. 222
Subject: Acquisition of Real Property for a Public Purpose

Date Introduced on First Reading: April 8, 2024
Date of Public Hearing: May 13 2024
Date Passed on Second Reading: May 13, 2024
Date Effective: June 3, 2024

AN ORDINANCE for the purposes of: 1) approving the acquisition of certain real property shown on Tax Map 133, Grid 15, Parcel 330, Tax Identification No. 03-177862, located at 22532 Washington Street, within the corporate limits of the Town of Leonardtown, Maryland, and consisting of 16,978± square feet of land, from RAR Associates Development Corporation for the sum of \$695,000 for the public purpose of providing municipal parking; and 2) authorizing the Mayor and the Town Administrator to execute all documents and take any and all action necessary and incidental to effectuate the foregoing; providing that the title of this Ordinance shall be deemed a fair summary; and generally relating to the acquisition of real property in the Town of Leonardtown.

RECITALS

WHEREAS, pursuant to § 5-204(c)(1) of the Local Government Article of the Annotated Code of Maryland and §§ 501(49) and 1201 of the Charter of the Town of Leonardtown (the “Charter”), the Council of the Town of Leonardtown (the “Council”), as the chief legislative authority for The Commissioners of Leonardtown, a Maryland municipal corporation (the “Town”), have the express ordinance-making power to acquire by conveyance, purchase, or condemnation any real or leasehold property needed for a public purpose; and

WHEREAS, RAR Associates Development Corporation (“RAR”) is the fee simple owner of all that real property shown on Tax Map 133, Grid 15, Parcel 330, Tax Identification No. 03-177862, located at 22532 Washington Street, within the corporate limits of the Town of Leonardtown, Maryland, and consisting of 16,978± square feet of land (the “Property”) pursuant to a deed dated December 16, 2002, and recorded among the Land Records of St. Mary’s County, Maryland in Liber E.W.A. No. 1923, folio 466; and

WHEREAS, the Council is desirous of acquiring the Property for the sum of \$695,000 for the public purpose of providing municipal parking; and

WHEREAS, RAR is desirous of selling the Property to the Town as aforesaid; and

WHEREAS, on March 12, 2024, the Town and RAR entered into a Commercial Agreement of Sale (the “Agreement”), which is attached hereto as Exhibit A and incorporated herein by reference as if fully set forth; and

WHEREAS, the Council has determined that for and in consideration of the terms and conditions set forth in the Agreement, the Town shall acquire the Property from RAR, together with any and all buildings and improvements thereupon erected, made, or being, any and all rights, ways, waters, privileges, appurtenances, and advantages thereto belonging or appertaining, and subject to any and all restrictions, covenants, easements, conditions, liens, or agreements as may appear among the Land Records of St. Mary’s County, Maryland; and

WHEREAS, the Council finds that approving the Town’s acquisition of the Property as set forth herein and in the Agreement would be in the best interest of the health, safety, and welfare of the citizens of the Town.

SECTION I. BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF LEONARDTOWN, that the Council hereby authorizes the Town’s acquisition of all that real property shown on Tax Map 133, Grid 15, Parcel 330, Tax Identification No. 03-177862, located at 22532 Washington Street, within the corporate limits of the Town of Leonardtown, Maryland, and consisting of 16,978± square feet of land, from RAR, together with any and all buildings and improvements thereupon erected, made, or being, any and all rights, ways, waters, privileges, appurtenances, and advantages thereto belonging or appertaining, and subject to any and all restrictions, covenants, easements, conditions, liens, or agreements as may appear among the Land Records of St. Mary’s County, Maryland, for the public purpose of municipal parking.

SECTION II. AND BE IT FURTHER ORDAINED that the Council hereby ratifies and approves the Agreement.

SECTION III. AND BE IT FURTHER ORDAINED that the Council hereby authorizes the Mayor and the Town Administrator to do any and all things and execute any and all documents necessary and incidental to the Town’s acquisition of the Property.

SECTION IV. AND BE IT FURTHER ORDAINED that the recitals to this Ordinance are incorporated herein and deemed a substantive part of this Ordinance.

SECTION V. AND BE IT FURTHER ORDAINED that this Ordinance is not intended to become part of the Town Code.


SECTION VI. AND BE IT FURTHER ORDAINED that, if any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court or competent jurisdiction, such portion shall be deemed a separate,

distinct, and independent provision and such holding shall not affect the validity of the remaining portions of this Ordinance, it being the intent of the Council that this Ordinance shall stand, notwithstanding the invalidity of any section, subsection, sentence, clause, phrase, or portion hereof.

SECTION VII. AND BE IT FURTHER ORDAINED that all ordinances or parts of ordinances inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.


SECTION VIII. AND BE IT FURTHER ORDAINED that the title of this Ordinance, or a condensed version thereof, shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

SECTION IX. AND BE IT FURTHER ORDAINED that this Ordinance shall become effective twenty (20) days following approval by the Mayor or passage by the affirmative vote of four-fifths of the whole Council after veto by the Mayor, in accordance with the provisions of Md. Code Ann., Local Gov't § 5-204(c)(3) and §§ 501(49) and 1201 of the Charter.




Laschelle E. McKay
Town Administrator

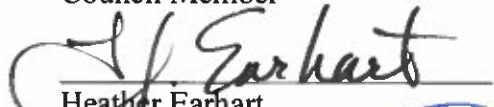
Councilpersons of Leonardtown:



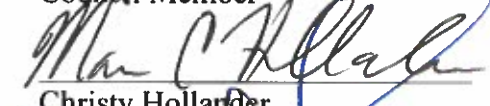
J. Maguire Mattingly, IV
Vice President




Nick Colvin
Council Member



Heather Earhart
Council Member



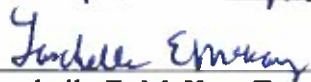
Christy Hollander
Council Member



Mary Slade
Council Member

Seal:

This Ordinance was presented to the Mayor for his approval or disapproval pursuant to Section 210 of the Charter of the Town of Leonardtown this 13th day of May, 2024.



Laschelle E. McKay, Town Administrator

In accordance with Section 210 of the Charter of the Town of Leonardtown, I hereby (Approve) or (Disapprove) Approve this Ordinance this 3rd day of May, 2024.


Daniel W. Burris, Mayor

EXHIBIT 1

Commercial Agreement of Sale dated March 12, 2024



COMMERCIAL

AGREEMENT OF SALE

1. **THIS AGREEMENT OF SALE**, made this 12th day of March, 2024, by and between RAR Associates Development Corporation, a Maryland Corporation, (whether one or more, hereinafter referred to as the "Sellers"), and Commissioners of Leonardtown (whether one or more, hereinafter referred to as the "Purchaser"). The effective date of this Agreement (hereinafter referred to as the "Effective Date") is the date of final ratification and acceptance of this Agreement as set forth on the signature page hereof and as completed by Seller or Purchaser, whichever provides final ratification and acceptance of this Agreement.

2. **THE SELLER SELLS AND THE PURCHASER BUYS** the land, premises and real property (the "Property") located in St. Mary's County, Maryland, and described as 22532 Washington Street, Leonardtown, Maryland 20650 (Property Account #: 03-177862); (Liber 1923, Folio 466), consisting of approximately 16,978 square feet and all improvements currently owned by seller, thereon and all rights and appurtenances thereto **IN FEE SIMPLE ABSOLUTE**, under the terms and conditions set forth in this Agreement.

3. **THE PURCHASE PRICE** for the Property is Six Hundred Ninety-Five Thousand and 00/100 Dollars (\$695,000.00) payable as follows:
(i) The sum of Ten and 00/100 Dollars (\$10.00) within five (5) days of the date of final acceptance of this Agreement to _____ as escrow agent, by way of a personal or business check (subject to collection), as an earnest money deposit, to be held and disbursed in accordance with the terms of this Agreement. The earnest money deposit shall be credited to the purchase price at closing hereunder. The earnest money deposit shall not bear interest.

(ii) At settlement, Purchaser shall pay the balance of the Purchase Price in full, in certified funds or by wire transfer.

4. **MATERIALS RELATED TO THE PROPERTY.** In connection with due diligence and inspections, Seller shall deliver to Purchaser within five (5) business days of the Date of Execution of this Agreement, to the extent that Seller (or its agents) has them in its possession or same are subject to Seller's (or its agent's) control, the following: (i) true and complete copies of the last two (2) real property tax bills and the most recent assessment notice, the most recent survey of the Property and a copy of Seller's original title policy and all updates thereto, as well as any new title reviews prepared by or for Seller or any affiliates; (ii) true and complete copies of all leases or licenses (the "Leases"), if any, affecting any part of the Property; (iii) all service and maintenance contracts, regardless of term; (iv) any architectural, MEP, and structural plans and/or specifications; (v) true and complete copies of any notices of any statute or code violation pertaining to the Property known to Seller or, in the alternative, a written certification from Seller that, to the best of its knowledge, there have been no such notices; (vi) Any other permits relating to the Property; (vii) any Development Documentation; (viii) a status report of any and all third party easements; (ix) all reports of third-party inspections of the Property including, without limitation, copies of any environmental surveys, foundation and structural reports, soil reports, leases, and appraisals; and (x) any other documents in Seller's possession that could have a materially adverse impact on Buyer's decision to acquire the Property collectively, the "Due Diligence Deliveries".

4.1. In addition to the foregoing Materials, Seller shall at any time provide to Purchaser such other material or information pertaining to the Property that Purchaser may reasonably request, to the extent such material or information is within Seller's possession or control. At all times prior to Settlement and to the extent permitted by law, Purchaser shall maintain strict confidentiality with regard to any material or information (including the Materials) Purchaser receives from Seller; provided, however, Purchaser shall have the right to share such material or information with Purchaser's attorneys, consultants, employees, agents and contractors (collectively, "Purchaser's Authorized Representatives"). Notwithstanding the foregoing, Purchaser shall have no obligation to maintain strict confidentiality with regard to any material or information also available from other sources.

5. **INVESTIGATION BY PURCHASER.** Purchaser shall have a period of one hundred twenty (120) days (the "Feasibility Period") following the Effective Date, in which Purchaser may conduct, at its sole expense, whatever investigation it deems prudent to determine the condition and/or status of the Property, and the feasibility of purchasing the Property, including, without limitation, (i) the status



and state of the physical condition of the Property; (ii) the status of any plats or plans affecting the Property; (iii) the nature and status of the zoning of the Property; (iv) the status and/or existence of all permits, approvals, or applications of or to government to quasi-governmental entities in connection with the Property; and (v) the availability of utility services to the Property. (vii) Purchaser shall be able to conduct his own study of the business during work hours on a date selected by Purchaser and Seller of which the Purchaser may be at the property from the open of business close of business on selected day. During the Feasibility Period, Purchaser may conduct whatever studies, tests, and investigations Purchaser reasonably desires relating to the Property, including without limitation, a Phase I Environmental Assessment, soil tests, engineering studies and tests, percolation tests (if applicable) and analysis of any applicable records of the planning, building, public works or any other departments or agencies of County or any other governmental or quasi-governmental entity having or asserting jurisdiction over the Property.

The Feasibility Period shall expire at 5:00 p.m. Eastern time on the final day of the Feasibility Period. Purchaser may terminate this Agreement by written notice of termination to Seller given prior to the expiration of the Feasibility Period if Purchaser concludes that its purchase of the Property is not economically feasible for any reason, in Purchaser's sole discretion. If Purchaser terminates this Agreement as herein provided, the earnest money deposit shall be returned to Purchaser and neither party shall have any further rights against or obligations to the other under this Agreement, except as to any right or obligation which expressly survive such termination hereunder. If Purchaser fails to give Seller written notice of its election to terminate this Agreement prior to the expiration of the Feasibility Period, this Agreement shall remain in full force and effect and Purchaser's Feasibility Period shall terminate.

All test, studies and investigations performed by Purchaser or on Purchaser's behalf during the Feasibility Period shall be performed at Purchaser's sole risk and expense. If requested by Seller, Purchaser, or Purchaser's agent(s) entering upon the Property, shall provide Seller with a certificate of general public liability insurance, with such company and in such amounts as are commercially reasonable, prior to any entries onto the Property by Purchaser or Purchaser's agents, employees, contractors or consultants. Such general public liability insurance shall be maintained in full force and effect during any time period during which the Purchaser is conducting any activities on the Property.

If Purchaser terminates this Agreement pursuant to this section, Purchaser shall, within ten (10) days following the date of such termination, repair and/or restore any damage or alteration to the Property caused or done by Purchaser during the Feasibility Period. In addition, if Purchaser terminates this Agreement pursuant to this section, Purchaser shall provide to the Seller, within ten (10) days following the date of such termination, at no cost to the Seller, copies of all studies, tests, engineering data and material, architectural data and material, and other data and material prepared by or for Purchaser with respect to the Property.

5. **PERMITS AND APPROVALS.** Intentionally Deleted.

6. **PURCHASER'S FINANCING CONTINGENCY.** Intentionally Deleted.

7. **SETTLEMENT.** Within One Hundred Fifty (150) days following the Effective Date, the Seller and Purchaser are required and agree to make full settlement in accordance with the terms hereof. Settlement shall occur at the offices of the title attorney or title company designated by Purchaser in Southern Maryland. Purchaser shall designate the day and time of closing with reasonable notice to the Seller. Purchaser may waive any contingency in its favor herein, and may call for an earlier closing hereunder at any time during the term of this Agreement, by written notice to Seller. **TIME IS OF THE ESSENCE OF THIS CONTRACT.**

8. **SETTLEMENT COSTS.** Purchaser authorizes *MacLeod Law Firm* ~~Jenkins Law Firm LLC~~ to order the examination of title and preparation of all necessary conveyancing papers, and, except as provided below, agrees to pay all costs on account thereof including settlement charges, subject to any statutory restrictions, conveyancing, notary fees, tax certificate, survey where required, and recording charges except those incident to clearing existing encumbrances. Notice: Maryland law requires the following disclosure: "SECTION 14-104 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND PROVIDES THAT, UNLESS OTHERWISE NEGOTIATED IN THE CONTRACT OR PROVIDED BY LOCAL LAW, THE COST OF ANY RECORDATION TAX OR ANY STATE OR LOCAL TRANSFER TAX SHALL BE SHARED EQUALLY BETWEEN THE PURCHASER AND SELLER." Consistent with this statute, all recordation taxes and state or local transfer taxes



shall be paid one-half (1/2) by Purchaser and one-half (1/2) by Seller. Each party shall pay their own costs of legal counsel. Seller shall pay all costs incident to clearing existing monetary encumbrances.

9. AGRICULTURAL LAND TRANSFER TAX. The parties acknowledge that this transfer may be subject to the Agricultural Land Transfer Tax pursuant to the Tax-Property Article of the Maryland Code. Any such tax shall be paid in full by Seller at closing hereunder. Seller acknowledges that it is Purchaser's decision whether to file an agricultural declaration of intent with respect to the Property, and that Purchaser shall not be required to maintain the agricultural assessment of the Property or file such a declaration of intent.

10. FOREST CONSERVATION AND MANAGEMENT PROGRAM. Purchaser is hereby notified that this transfer may be subject to the Forest Conservation and Management Program imposed by Section 8-211 et. seq. of the Tax-Property Article, Annotated Code of Maryland. Any Forest Conservation/Management Program taxes assessed as a result of this transfer shall be paid in full by the Seller at closing hereunder.

11. AGENCY. Seller and Buyer recognize Anne M. Hooper of Hooper and Associates, Listing Agent, as the sole Broker responsible for this transaction, hereunder (the "Broker"). Seller agrees to pay said Broker a commission at the closing of this transaction, equal to Five Percent (5%) of the Purchase Price hereunder. Except as aforesaid, each party represents and warrants to the other that they have not used the services of any real estate broker, agent, finder or similar individual or entity in connection with this Agreement, and that no such individual or entity is due any fee or commission as a result of this transaction. Each party shall indemnify and hold harmless the other party from and against its breach of the foregoing representation and warranty.

Seller and Purchaser each confirm that any disclosures of agency relationships as described in this Agreement conform to the agency relationships previously agreed to in writing for the parties. All parties irrevocably instruct the settlement agent to collect the real estate commission set forth herein and to disburse the same to the Broker listed herein according to the terms and conditions provided in the listing agreement and/or agency representation agreement. Settlement shall be a precondition or condition precedent to the payment of any real estate commission or compensation.

Notwithstanding anything to the contrary set forth herein, the Broker and their agents and employees do not assume any responsibility for the condition of the Property or for the performance of this Agreement by any party hereto. By signing this Agreement, Seller and Purchaser each acknowledge that they have not relied upon any representation or warranty made by the broker/agent or any of their agents or employees.

12. ADJUSTMENTS. Rents, security deposits, taxes, water rent, utilities including heating fuel, insurance, and operating charges are to be prorated and adjusted to the date of transfer. Taxes, general and special, are to be adjusted to the date of transfer, except that assessments for improvements completed prior to the date hereof, whether assessment therefor has been levied or not, shall be paid by the Seller at the time of transfer. If the Property is serviced by private or public water and/or sewer, annual benefit charges of said system(s) are to be adjusted to date of transfer and assumed thereafter by Purchaser. All deferred sewer and water tap fees shall be assumed by Purchaser and adjusted to date of settlement. Unless otherwise set forth in this Agreement, any leases of the Property shall remain in effect and assigned to Purchaser as of the date of settlement, and the Property delivered to the Purchaser free thereof.

13. TITLE. At settlement, Seller shall execute and deliver to Purchaser a good and sufficient special warranty deed for the Property, and a good and sufficient bill of sale for the furniture, fixtures, equipment and personal property existing at the Property as of the date of this Agreement and included in this sale, and any other documents reasonably requested by the title company and/or Purchaser in connection with settlement hereunder. The Property shall be conveyed free of encumbrance, but subject to the existing lease, and title is to be good of record and in fact, and merchantable and shall be insurable under an ALTA policy of Owner's Title Insurance (current edition) at standard rates, with no exceptions, encumbrances or other matters objectionable to Purchaser, in Purchaser's reasonable discretion; otherwise the earnest money deposit shall be returned to Purchaser and this Agreement voided at the option of the Purchaser, unless the defects in title noted by Purchaser are of such character that they may be remedied by legal action within a reasonable time. In case legal steps are necessary to perfect title or correct any title objection, such action must be taken promptly.

by the Seller at its own expense, whereupon the time specified for full settlement by the Purchaser will thereby be extended for the reasonable period necessary for such prompt action, not to exceed 60 days.

The Property shall be conveyed in the name of Purchaser or Purchaser's permitted assignee. Purchaser shall have the right to assign and transfer its rights and obligations under this Agreement at any time prior to closing to any third party entity in which Purchaser has an ownership interest. Purchaser shall provide Seller with written notice of any such assignment or transfer. Notwithstanding any such assignment by the Purchaser, the Purchaser shall remain liable for the full performance of the terms, covenants and conditions of this Agreement.

14. POSSESSION/OCCUPANCY. Seller shall give possession of the Property to Purchaser at the time of settlement subject to the existing lease.

15. COMPLIANCE WITH NOTICES. All notices of violations of orders or requirements noted or issued by any County or authority, or actions in any court on account thereof, against or affecting the Property at the date of settlement of this Agreement, shall be complied with by the Seller and the Property conveyed free thereof. In the event of any condemnation or taking of the Property, or any part thereof by eminent domain, by any governmental entity, or damage to the Property by casualty or other cause, prior to closing, Purchaser shall have the right to elect either to: (i) terminate this Agreement, whereupon the deposit shall be returned to Purchaser, and neither party shall have any further rights or obligations hereunder, (ii) continue the effectiveness of this Agreement, with no modification or change in the terms hereof, except that, at closing, the Purchase Price shall be reduced by the amount of funds received by the Seller in connection with the condemnation, taking of, or casualty to, the Property, or (iii) continue this Agreement, with no change or modifications hereof, paying the full Purchase Price at closing, with the Purchaser receiving the full amount of the funds paid in condemnation or eminent domain by the applicable governmental authority, or insurance proceeds, in which event Seller shall irrevocably assign such funds to the Purchaser. Purchaser's election as to the foregoing rights shall be made within a reasonable time following the date when the full detail of any proposed condemnation or eminent domain are known, including, but not limited to, the amount of the property involved, the area of the property involved and the purchase price being paid by the applicable governmental authority.

16. PROPERTY CONDITION. At the time of settlement, Seller will deliver the Property in substantially the same condition as the Property existed on the date of this Agreement, reasonable and normal wear and tear excepted. Seller represents and warrants that Seller is aware of no hidden or latent defects in the Property or any improvements thereon. Except as expressly set forth in this Agreement, the Property is sold hereunder in "AS-IS" condition, without representation or warranty by the Seller.

17. RISK OF LOSS. The risk of loss or damage to the Property by fire or other casualty until the deed of conveyance is recorded shall remain with the Seller.

18. MARYLAND HOMEOWNERS ASSOCIATION ACT. Unless otherwise set forth in an Addendum to this Agreement, this Agreement is not subject to the Maryland Homeowners Association Act.

19. DEFAULT. Failure on the part of the Purchaser to proceed to settlement hereunder when required by the terms of this Agreement shall constitute a default entitling the Seller, as its sole and exclusive remedy, to retain the earnest money deposit paid by Purchaser hereunder as liquidated damages and not as a penalty. The Seller acknowledges and agrees that the earnest money deposit is a fair and equitable liquidated damage sum in the event of any default by Purchaser hereunder, the Seller's actual damages being difficult or impossible to determine. Failure on the part of the Seller to comply with the terms, covenants and conditions of this Agreement shall constitute a default entitling the Purchaser to all legal and/or equitable remedies available, including, without limitation, an action for specific performance of this Agreement.

In the event Seller shall fail to fully and timely perform any of its obligations or covenants hereunder, and such failure continues for a period of ten (10) days after written notice of such failure is given by Purchaser to Seller, Purchaser shall, as its sole and exclusive remedies hereunder, elect to: (i) declare Seller in default under this Agreement by notice delivered to Seller in which event this

Agreement shall terminate and the earnest money deposit shall be promptly refunded to Purchaser, and Purchaser shall be entitled to recover from Seller its documented out-of-pocket expenses related to this Agreement and its due diligence hereunder, or (ii) pursue all remedies available at law or equity, including specific performance of this Agreement.

In the event of any legal proceedings brought in enforce the terms of this Agreement, in addition to all other rights and remedies, the prevailing party shall be entitled to an award of the costs of enforcement of this Agreement, including, but not limited to, reasonable attorneys fees incurred by the prevailing party.

20. ESCROW AGENT LIABILITY. Escrow Agent and any agents or employees of Escrow Agent do not assume any responsibility for the condition of the Property or for the performance of this Agreement by any or all parties hereto. In the event of any litigation between Seller and Purchaser concerning return of the deposit monies, Escrow Agent's sole responsibility may be met, at Escrow Agent's option, by paying all deposit monies into the court in which such litigation is pending, and Purchaser and Seller agree that upon payment of such deposit monies into court, neither Purchaser nor Seller shall have any further right, claim, demand or action against Escrow Agent. In the event that any dispute arises under this Agreement between Seller and Purchaser resulting in Escrow Agent being made a party to any litigation, Seller and Purchaser, jointly and severally, agree to indemnify Escrow Agent for all costs, attorney's fees and legal expenses incurred by Escrow Agent as a result thereof, provided that such litigation does not result in a judgment against Escrow Agent for acting improperly under this Agreement.

21. FIRPTA. Section 1445 of the United States Internal Revenue Code of 1986 provides that a transferee (Purchaser) of residential real property located in the United States must withhold federal income taxes from the payment of the purchase price if (a) the purchase price exceeds Three Hundred Thousand Dollars (\$300,000.00) and (b) the transferor (Seller) is a foreign person. Unless otherwise stated in addendum attached hereto, if the Purchase Price is in excess of Three Hundred Thousand Dollars (\$300,000), 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.

22. MARYLAND NON-RESIDENT SELLER. Seller acknowledges that, pursuant to the Tax General Article of the Annotated Code of Maryland, if Seller is a non-resident individual or entity, Maryland law will require the settlement attorney or title company conducting the closing under this Agreement to withhold from Seller's proceeds of sale Maryland capital gains taxes calculated in accordance with Section 10-912 of the Tax Property Article.

23. WETLANDS. The Purchaser is advised that if all or a portion of the Property being purchased is wetlands, the approval of the U.S. Army Corps of Engineers may be necessary before a building permit can be issued for the Property. Additionally, the future use of the Property may be restricted due to wetlands. The Corps has adopted a broad definition of wetlands which encompasses a large portion of the Chesapeake Bay region. Other portions of the State may also be considered wetlands. For information as to whether the Property includes wetlands Purchaser may contact the Baltimore District of the U.S. Army Corps of Engineers.

24. NOTICE TO PURCHASER CONCERNING THE CHESAPEAKE AND ATLANTIC COASTAL BAYS CRITICAL AREA. Purchaser is advised that all or a portion of the Property may be located in the "Critical Area" of the Chesapeake and Atlantic Coastal Bays, and that additional zoning, land use, and resource protection regulations apply in this area. The "Critical Area" generally consists of all land and water areas within 1,000 feet beyond the landward boundaries of state or private wetlands, the Chesapeake Bay, the Atlantic Coastal Bays, and all of their tidal tributaries. The "Critical Area" also includes the waters of and lands under the Chesapeake Bay, the Atlantic Coastal Bays and all of their tidal tributaries to the head of tide. For information as to whether the Property is located within the Critical Area, Purchaser may contact the local Department of Planning and Zoning, which maintains maps showing the extent of the Critical Area in the jurisdiction. Allegany, Carroll, Frederick, Garrett, Howard, Montgomery and Washington counties do not include land located in the Critical Area.

25. FOREST CONSERVATION ACT. If the Property is a tract of land 40,000 square feet or more in size, Purchaser is notified that, unless exempted by applicable law, as a prerequisite to any subdivision plan or grading or sediment control permit for the Property,

Purchaser will be required to comply with the provisions of the Maryland Forest Conservation Act (MD Code, Art. NR, Sections 5-1601, et seq), including, among other things, the submission and acceptance of a Forest Stand Delineation and a Forest Conservation Plan for the Property in accordance with applicable laws and regulations. Unless otherwise expressly set forth in an addendum to this Agreement, Seller represents and warrants that the Property is not currently subject to a Forest Conservation Plan, Management Agreement or any other pending obligation binding the owner of the Property under said Act; further, Seller represents and warrants that no activities have been undertaken on the Property in violation of the Forest Conservation Act.

26. SELLER'S REPRESENTATIONS AND WARRANTIES. Seller, to the best of Seller's actual knowledge, represents and warrants, as of the date of this Agreement, and as of the date of closing hereunder, as follows: (i) To the best of Seller's knowledge, the Property contains no storage, spillage or contamination of any hazardous wastes, toxic substances or petroleum products, or any other product or substance, the handling, storage and/or disposal of which is regulated by any state, local or federal environmental law, regulation or ordinance; (ii) the Property contains no underground storage tanks; (iii) To the best of Seller's knowledge, the improvements on the Property, if any, contain no lead paint, asbestos or PCB's; (iv) the Property has legal and unobstructed access to a public right of way; (v) Seller has made no commitments to any governmental authority, civic association, community association, church, school or other group or entity which would bind the Property or would have an adverse affect on the development or potential development thereof for Purchaser's intended use; (vi) Seller is not aware of any subterranean condition, such as excessive rock or substandard soils, which would cause the construction of improvements on the Property to be unfeasible or extraordinarily expensive; and (vii) there is, with respect to the Property, no pending or threatened violation of any state, local or federal land use or zoning law applicable to the Property. Seller recognizes that the continued validity and accuracy of Seller's representations and warranties is a prerequisite to Purchaser's obligations to close under this Agreement. The foregoing representations and warranties shall survive settlement for a period of nine (9) months thereafter.

27. GUARANTY FUND. NOTICE TO PURCHASER: PURCHASER IS PROTECTED BY THE REAL ESTATE GUARANTY FUND OF THE REAL ESTATE COMMISSION OF THE STATE OF MARYLAND FOR LOSSES COVERED BY SECTION 17-404 OF THE BUSINESS, OCCUPATIONS AND PROFESSIONS ARTICLE OF THE ANNOTATED CODE OF MARYLAND, IN AN AMOUNT NOT EXCEEDING \$25,000.00 FOR ANY CLAIM.

28. ACCESS TO PROPERTY. Subject to the approval of the existing Tenant, during the entire term of this Agreement, the Purchaser, its agents, employees, consultants, contractors, engineers, architects and attorneys shall have access to the Property at all reasonable times at the Purchaser's sole risk and expense to conduct such activities on the Property as are authorized and are reasonably contemplated under this Agreement.

29. NOTICES. All notices required or permitted under this Agreement shall be in writing. Any notice to be given to Seller hereunder shall be addressed to 9120 Chesapeake Avenue, Suite 100, PO Box 39, North Beach, Maryland 20714, (Email: ronrusso1@yahoo.com) with copy to Hooper & Associates, Attn: Anne M. Hooper, 3605 Old Washington Road, PO Box 125, Waldorf, MD 20604, (Email: anne.hooper@gmail.com). Notice shall be deemed received on the date of any notice sent via electronic mail, facsimile transmission or hand delivery, or on the next business day following the date any notice is sent via overnight delivery, or on the third business day following the date any notice is sent via regular mail. Notice may be delivered in any one or more of the foregoing manners.

Any notice to be given to Purchaser under this Agreement shall be addressed to Commissioners of Leonardtown, Attn: Laschelle McKay, Town Administrator, 41660 Courthouse Drive, PO Box 1, Leonardtown, Maryland 20650, (Email: laschelle.mckay@leonardtownmd.gov). Notices to Purchaser may be delivered in the same manner as provided for notices to Seller above.

30. 1031 EXCHANGE. Either party may consummate the sale or purchase of the Property as part of a so-called like kind exchange (the "Exchange") pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), provided that: (i) the settlement shall not be delayed or affected by reason of the Exchange nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to either party's obligations under this Agreement; (ii) the Exchange shall be effected through a qualified intermediary and the party not requesting the Exchange shall not be required to take an assignment of the purchase agreement for the exchange property or be required to acquire or hold title to any real property for purposes of consummating the Exchange; and (iii) the party requesting the Exchange shall pay any additional costs that would not otherwise have been incurred by



the other party had the party requesting the Exchange not consummated its sale or purchase through the Exchange. The party not requesting the Exchange shall not by this agreement or acquiescence to the Exchange, (1) have its rights under this Agreement affected or diminished in any manner, or (2) be responsible for compliance with or be deemed to have warranted to the other party that the Exchange in fact complies with Section 1031 of the Code.

31. FINAL AGREEMENT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their and each of their respective successors and permitted assigns. This Agreement contains the final and entire agreement between the parties, and neither they nor their agents shall be bound by any terms, conditions, statements, warranties or representations, oral or written, not contained in this Agreement. Each and every provision of this Agreement shall survive closing and delivery of the deed to the Property. This Agreement shall be governed and construed in all respects in accordance with the laws of the State of Maryland. Time shall be of the essence with respect to the provisions of this Agreement.

32. ELECTRONIC DELIVERY & SIGNATURES. Seller and Purchaser agree that this Agreement shall be deemed validly executed, accepted and ratified by a party if the party executes this Agreement and delivers a copy of the executed Agreement to the other party by electronic transmission. This Agreement may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute one and the same Agreement. Delivery of a .pdf or other electronic counterpart of this Agreement executed by a party hereto shall be deemed to constitute delivery of an original hereof executed by such party.

33. ADDENDA. Any addendum or addenda attached to this Agreement and executed by Purchaser and Seller shall be deemed a part of this Agreement. The following addendum/addenda is/are attached to and made a part of this Agreement (Tax Record, Plats and Site Plans).

[Remainder of Page Left Intentionally Blank]



THIS IS A LEGALLY BINDING CONTRACT. IF YOU DO NOT UNDERSTAND, SEEK COMPETENT LEGAL COUNSEL.

WITNESS/ATTEST:

SELLER:

RAR Associates Development Corporation,
a Maryland Corporation

Anne Hooper
dotloop verified
03/12/24 9:49 PM EDT
#W997-W425-QZL3-FAHU

Ronald Russo
dotloop verified
03/12/24 10:34 PM EDT
BOKE-BBAQ-ZXA8-VMEK (Seal)

Ronald Russo, President

WITNESS/ATTEST:

PURCHASER:

Commissioners of Leonardtown

Lashelle E. McKay

Daniel W. Burris
dotloop verified
03/12/24 10:34 PM EDT
BOKE-BBAQ-ZXA8-VMEK (Seal)
Daniel W. Burris, Mayor

SELLER OR PURCHASER, WHICHEVER ONE PROVIDES FINAL RATIFICATION ACCEPTANCE, IS REQUESTED TO COMPLETE THE FOLLOWING:

DATE OF FINAL RATIFICATION AND ACCEPTANCE: 03/13/2024; BY: *RR*
dotloop verified
03/12/24 10:34 PM EDT
BOKE-BBAQ-ZXA8-VMEK

WHICH SHALL BE THE EFFECTIVE DATE OF THIS AGREEMENT.