

CONTRACT OF SALE

This Contract of Sale is entered into this 28th day of April, 2015, by and between William Mueller, Jr. Trustee, and Patricia L. Mueller, Trustee ("Sellers") and the City of Annapolis, a municipal corporation of the State of Maryland ("Buyer").

Whereas, the parties have reached an agreement for the sale and purchase of certain real property in the City of Annapolis ("Property") and wish to reduce their agreement to this writing.

Now, Therefore, in consideration of this premise and the terms set forth below and other good and valuable consideration, the sufficiency of which the parties acknowledge, the parties agree as follows:

1. Purchase

(a) The Sellers agree to sell to the Buyer, and the Buyer agrees to purchase from the Sellers, all that land and improvements, if any, which constitute the real property in Annapolis, Maryland, tax account number 2000-0854-2800, more particularly described on Tax Map 44, Grid 22, Parcel 192, totaling 9.784 acres of land, more or less, on Defense Highway in Annapolis, Maryland, the Property also being part of the property described in a Confirmatory Deed recorded among the land records of Anne Arundel County in Liber 26829, page 453, and part of the property described in a Deed recorded among the land records of Anne Arundel County in Liber 12019, page 181, together with all improvements, rights, waters, ways, appurtenances and privileges belonging to the Property, in fee simple.

2. Purchase Price

(a) The purchase price for the Property and fixtures, personal property and other items as set forth in paragraph 2 of this Contract of Sale is Eight Thousand Nine Hundred Seventy Ten Dollars and Seventy Two Cents (\$8,910.72).

(b) The parties acknowledge and agree that the purchase price represents the amount of real property taxes due from the Sellers at the time of the execution of this Contract of Sale, plus to date interest, penalties, fees and costs, if any, associated with the tax sale proceeding governing the Property.

The parties also acknowledge that such interest, penalties, fees and costs may be accruing and, if so, agree that the purchase price shall increase from the purchase price stated above to that amount plus accrued interest, penalties, fees and costs due to Anne Arundel County on the date of settlement, and that that the purchase price shall not exceed such amount.

(c) The Sellers shall assure that all other payments for taxes, charges and assessments are current through the date of settlement and provide documentation before the date of settlement of any taxes, charges or assessments which are not current as of the date of settlement. .

(d) The Sellers shall pay all other existing liens and encumbrances, if any, governing the Property at the time of settlement and make payment directly to any lien holder and provide proof of payment to the Buyer at the time of settlement, or the Sellers shall make payment at the time of settlement by offset from the purchase price and hereby authorize the settlement agent to make withhold the amount of the payment from settlement proceeds and make payment directly to lien holders.

3. Deposit

(a) There shall be no deposit made by the Buyer towards the purchase price.

4. Financing

(a) There shall be no financing sought in connection with this Contract of Sale.

5. Settlement

(a) Settlement shall occur no later than May 25, 2015.

(b) The Buyer shall select the agent to conduct settlement.

(c) Settlement shall occur at a location mutually agreeable to the parties.

(d) The parties acknowledge that no listing or selling broker or any other broker has participated in sale and settlement and that no brokerage fees are due from either party.

6. Possession of Property

(a) The Sellers shall give unconditional and exclusive possession and occupancy of the

Property immediately upon settlement

(b) The Seller shall retain no keys associated with the Property, including but not limited to keys for gates or fences, and shall turn any such keys over the Buyer at settlement.

7. Condition of Property

(a) The Property is sold in "as is" condition.

(b) The Sellers make no warranties to the Buyer regarding the condition or habitability of the Property.

8. Risk of Loss

(a) The risk of loss or damage to the Property and improvements, if any, on the Property by fire or any other casualty shall be fully and exclusively assumed by the Sellers until legal title has passed to the Buyer.

(b) If all or a substantial part of the Property is destroyed or damaged by fire or any other casualty prior to the conveyance of legal title to the Buyer, the Buyer may proceed with settlement or declare this Contract of Sale null and void and of no legal effect.

9. Contingencies

(a) The City may declare this Contract of Sale and any addendum null and void and of no legal effect, at the sole discretion of the City, in writing to the Sellers, at any time that is before ten (10) days from the date of settlement.

10. Special Warranty Deed

(a) The Sellers shall deliver good and marketable title, free of liens and encumbrances, conditions, easements, assessments and restrictions, except for those matters of record, plus insurable title at standard rates and terms acceptable to a title insurance company licensed in the State of Maryland.

(b) The Sellers at settlement shall execute a special warranty deed with all standard covenants which conveys fee simple title to the Property to the Buyer.

(c) The Buyer shall pay the cost of preparation and recordation of the deed.

11. Title Examination

(a) The Buyer acknowledges that it has conducted an examination of the title of the Property before entering into this Contract of Sale, and that the title examination indicates that the Sellers own the property free and clear of mortgages and other liens or encumbrances of a financial nature.

(b) If the Sellers know or have reason to believe that the Property is not free and clear of mortgages or other liens or encumbrances of a financial nature, they shall disclose to the Buyer all information and documentation they have to this effect at the time of entry into this Contract of Sale. Failure to disclose all such information and documentation at that time shall be considered a material breach of this Agreement and shall entitle the Buyer to immediately declare this Contract of Sale null and void and of no legal effect and notify the Sellers to this effect.

(c) The Buyer shall pay the cost of title examination.

12. Title Insurance

(a) The Buyer shall select its own title insurance company.

(b) If the Buyer for any reason is unable to obtain a standard title insurance policy, the Buyer may immediately declare this Contract of Sale null and void and of no legal effect and notify the Sellers to this effect.

(c) The Buyer shall pay the cost of title insurance.

13. Title

(a) If any defects in title are discovered as a result of the title examination or otherwise, the Sellers, at their sole expense, shall cure such defects before settlement shall occur, unless the Buyer, in its sole discretion, decides to opt out of this Contract of Sale as a result of such defects. If the Buyer decides to do so, the Buyer may immediately declare this Contract of Sale null and void and of no legal effect and notify the Sellers to this effect.

(b) If settlement is not completed because any defects of title are not timely cured, the Buyer may immediately declare this Contract of Sale null and void and of no legal effect and notify the Sellers to this effect.

14. Survey

(a) The Buyer, at its expense, may have the Property surveyed prior to settlement.

(b) If any such survey shows improper location of improvements or encroachments and the Buyer is unable to obtain insurable title as a result, the Buyer may immediately declare this Contract of Sale null and void and of no legal effect and notify the Sellers to this effect.

15. Recordation and Transfer Taxes

(a) THE PARTIES ACKNOWLEDGE THAT ANNOTATED CODE OF MARYLAND, REAL PROPERTY ARTICLE, SECTION 14-104, PROVIDES THAT, UNLESS OTHERWISE NEGOTIATED IN THIS CONTRACT OF SALE OR REQUIRED BY LOCAL LAW, THE PARTIES SHALL SHARE EQUALLY THE COST OF ANY RECORDATION TAX OR ANY STATE OR LOCAL TRANSFER TAX.

(b) If any transfer and/or recordation taxes are due as a result of transfer of title pursuant to this Contract of Sale and any addendum, the Buyer shall pay all such taxes.

16. Costs of Settlement and Legal Costs

(a) The Buyer shall pay all settlement costs.

(b) The parties shall pay their own legal fees associated with the preparation and negotiation of this Contract of Sale, and with all matters having to do with settlement.

17. Payment and Adjustment of Liens Against Property

(a) All taxes, general or special, and all public, governmental and condominium charges and assessments against the Property which are or may be payable on an annual or other periodic basis, including but not limited to any benefit charges, assessments, liens or encumbrances for sewer, water, drainage, front foot assessment, ground rent and other public improvements, completed or commenced on,

prior to or subsequent to the date of this Contract of Sale, whether or not assessments have been levied, shall be adjusted and apportioned between the parties as of the date of settlement.

18. Water and Sewer

(a) The parties acknowledge that this Contract of Sale is not subject to any certifications with respect to water and sewer quality.

(b) The Seller makes no warranties to the Buyer regarding water quality, color or taste or operating condition.

(c) The Seller makes no warranties to the Buyer regarding the extension of public utilities by municipal authorities, the existence or availability of public utilities and any assessments, fees or costs for public utilities which might be imposed by local municipal authorities.

19. Zoning and Permitted Uses

(a) The Buyer acknowledges that restrictive covenants, zoning laws or other recorded documents may restrict or prohibit the use of the Property for purposes which the Buyer intends.

(b) The Buyer acknowledges that it is its responsibility to consult governmental authorities to determine the existing zoning and permitted uses of the Property.

20. Notice Pertaining to Land Use

(a) The Buyer acknowledges that in order to become more fully informed of the current and future land use plans, facility plans, public works plans, school plans, or other plans affecting the property or area, the Buyer should consult the appropriate governmental agencies for information regarding these plans.

21. Critical Area Notice

(a) The Buyer acknowledges that part or all of the Property may be in the Critical Area and that compliance with all State and City Critical Area laws and regulations is required.

22. Environmental Inspection

(a) The Buyer, at its expense, and as a condition to the purchase of the Property, may have an environmental inspection conducted in order to ascertain the existence of environmental hazards on the Property.

23. Internal Revenue Service Filing

(a) The parties shall cooperate with the settlement agent by providing all necessary information so that any required report due to the Internal Revenue Service can be submitted.

24. Assignment

(a) This Contract of Sale shall not be assigned by either party.

25. Time of the Essence

(a) Time is of the essence with respect to all provisions of this Contract of Sale, unless the parties agree otherwise in a writing signed by them and notarized.

26. Breach/Default

(a) The parties shall make full settlement in accordance with the terms of this Contract of Sale, and failure to do so shall constitute a material breach.

(b) For any breach or default of this Contract of Sale or any addendum, the party claiming the breach or default shall provide written notice to the party alleged to be in breach or default indicating in detail the nature of the breach or default and indicating a cure period of at least Fifteen (15) days. If there is no dispute by the party alleged to be in breach or default about that fact, that party shall complete the cure within such time. If there is a failure to cure, or if the parties dispute an alleged breach or default and no cure is therefore offered, the party claiming the breach or default may declare the party alleged to be in breach or default to be in such breach or default by written notice and then seek all available remedies.

27. Legal Proceedings

(a) The venue for any legal proceeding arising out of this Contract of Sale and any addendum

shall be the courts of Anne Arundel County, Maryland.

(b) The parties waive trial by jury in any legal proceeding arising out of this Contract of Sale.

(c) In any legal proceeding arising out of this Contract of Sale, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fee for representation.

28. Severance

(a) If any provisions of this Contract of Sale or any addendum are found unenforceable by a court of competent jurisdiction, the parties shall abide by its remaining provisions.

29. Construction

(a) The validity, construction, meaning and effect of this Contract of Sale shall be governed by the laws of the State of Maryland.

(b) The parties acknowledge that they have had an opportunity to participate in the negotiation and preparation of this Contract of Sale and that, in the event of a dispute over its interpretation, it shall not be interpreted against either party.

30. Independent Legal Counsel

(a) The parties acknowledge that they may consult with an attorney about their rights and obligations stemming from this Contract of Sale, and its fairness and legal effect.

31. Consent

(a) The parties certify that their consent to the execution of this Contract of Sale has not been obtained by duress, fraud, or undue influence of any person.

32. Integration

(a) This Contract of Sale and any addendum is the final and entire agreement of the parties with respect to all matters set forth herein.

(b) The parties make no terms, representations, conditions, promises or agreements, oral or written, other than those expressly set forth herein, and shall not be bound by any terms, representations,

conditions, promises or agreements not contained in this Contract of Sale or in a written amendment signed by the parties and attached hereto.

33. Modification

(a) The parties may modify this Contract of Sale or any addendum only by a mutually signed written instrument.

(b) No waiver of any breach or default of this Contract of Sale or any addendum shall be deemed a waiver of any subsequent breach or default.

34. Binding Effect

(a) The provisions of this Contract of Sale and any addendum shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

(b) The provisions of this Contract of Sale shall survive the execution and delivery of the Special Warranty Deed, and shall not be merged therein.

ATTEST:

BUYER: CITY OF ANNAPOLIS:

Regina Watkins-Eldridge, City Clerk

By: _____
Michael J. Pantelides, Mayor ____ (Seal)

STATE OF _____, COUNTY OF _____, to wit:

I hereby certify that on this ____ day of _____, 2015, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Michael J. Pantelides, Mayor of the City of Annapolis, known to me or satisfactorily proven to me to be the person whose signature is written above, and he has signed this Contract of Sale in my presence and acknowledged that it is his free and voluntary act and the act of the City of Annapolis made for the purposes stated therein.

Witness my hand and Notary Seal.

Notary Public
My commission expires:

Approved as to form and legal sufficiency:

Gary M. Elson
Michael G. Leahy, City Attorney GARY M. ELSON
Approved for financial sufficiency: (ASSISTANT)

Bruce T. Miller
Bruce T. Miller, Director of Finance

City Manager approval:

Thomas C. Andrews, City Manager

SELLERS:

Marcus Patrick
Witness

William Mueller, Jr.
William Mueller, Jr., Trustee (Seal)

Marcus Patrick
Witness

BY: Patricia L. Mueller
Patricia L. Mueller, Trustee (Seal)

STATE OF Maryland, COUNTY OF Anne Arundel, to wit:

I hereby certify that on this 28th day of April, 2015, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared William Mueller, known to me or satisfactorily proven to me to be the person whose signature is written above, and he has signed this Agreement in my presence and acknowledged that this Contract of Sale is his free and voluntary act and the free and voluntary act made for the purposes set forth therein.

Witness my hand and notary seal.

Margaret Tracie Brown
Notary Public
My commission expires: 04/11/2018

Margaret Tracie Brown
Notary Public State of Maryland
Commission Expires 04/11/2018

STATE OF Maryland, COUNTY OF Anne Arundel, to wit:

I hereby certify that on this 28th day of April, 2015, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Patricia L. Mueller, known to me or satisfactorily proven to me to be the person whose signature is written above, and she has signed this Agreement in my presence and acknowledged that that this Contract of Sale is her free and voluntary act made for the purposes set forth therein.

Witness my hand and notary seal.

Margaret Tracie Brown
Notary Public
My commission expires: 04/11/2018

Margaret Tracie Brown
Notary Public State of Maryland
Commission Expires 04/11/2018