

TRANSFER AGREEMENT
(Gateway Property)

THIS TRANSFER AGREEMENT (the “Agreement”), made effective as of the last date that this Agreement is signed and dated by a party hereto (the “Effective Date”), by and between **THE COMMISSIONERS OF CAMBRIDGE**, a body politic and political subdivision of the State of Maryland (the “Seller” or “City”) and **CAMBRIDGE WATERFRONT DEVELOPMENT, INC.**, a Maryland non-stock economic development corporation (the “Buyer” or “CWDI”) and/or assigns. Seller and Buyer (collectively the “Parties”) hereby covenant and agree as follows:

WITNESSETH

WHEREAS, by virtue of a Deed dated August 27, 2014, and recorded among the Land Records of Dorchester County, Maryland at Liber A.J.C. No. 1223, folio 148, the City is the fee simple owner of all those parts or parcels of land situate, lying, and being in the City of Cambridge, Dorchester County, Maryland, Tax Map 303, Parcels 5234, 5235 and 5236, together consisting of 50,021 square feet of land, more or less, (collectively the “Gateway Property”), the said Parcels 5235 and 5236 being shown and designated on the plat entitled, “Land of The Estate of Edward L. Meredith” dated December 1978, prepared by J. R. McCrone, Jr., Inc., registered professional engineers and land surveyors, and recorded among the Plat Records of Dorchester County at Plat Liber P.L.C. No. 22, folio 72; and

WHEREAS, CWDI was formed in July 2018 by the filing of Articles of Incorporation in furtherance of that certain Memorandum of Understanding dated April 4, 2018 (the “MOU”), as amended, by and between the City and Dorchester County, Maryland for purposes of collaboration and cooperation in the comprehensive planning and redevelopment of certain properties along and adjacent to the Cambridge waterfront extending from the Choptank River Bridge Fishing Pier/Gateway to Cambridge Creek (the “CWDI Planning Envelope”) for the betterment of Cambridge, Dorchester County, and the region; and

WHEREAS, the Board of Directors of CWDI is charged with planning, promoting, and facilitating the redevelopment and mixed utilization of those certain properties within and some adjacent to the CWDI Planning Envelope, comprising roughly 40 acres, all such parcels of land situate, lying and being in Cambridge as shown on Exhibit A hereto, including the Gateway Property (Parcels 5234, 5235 and 5236); and

WHEREAS, the Gateway Property is an integral parcel within the CWDI Planning Envelope so when considering transfer of the Port Property to CWDI the City and CWDI agreed to concomitantly pursue a transfer agreement whereby CWDI would accept the transfer of the Gateway Property from the City in furtherance of CWDI’s mission and subject to all mandates and covenants that run with the Gateway Property; and

NOW, THEREFORE, for and in consideration of the mutual covenants herein set forth and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the Seller and Buyer do hereby agree as follows:

1. AGREEMENT OF SALE AND PURCHASE: Subject to the terms and conditions set forth in this Agreement, Seller hereby agrees to sell and Buyer hereby agrees to purchase from Seller the real property and improvements and rights as more particularly described in Section 2 hereof (the “Property”).

2. PROPERTY DESCRIPTION: The Gateway Property includes and is described as follows:

(a) All those lots or parcels of land owned by the City situate, lying, and being in the City of Cambridge, Dorchester County, Maryland, Tax Map 303, Parcels 5234, 5235 and 5236, together consisting of 50,021 square feet of land, more or less, as more fully described by metes and bounds, courses and distances in a Deed dated August 27, 2014, and recorded among the Land Records of Dorchester County, Maryland at Liber A.J.C. No. 1223, folio 148, the said Parcels 5235 and 5236 being further shown on the plat entitled, “Land of The Estate of Edward L. Meredith” dated December 1978, prepared by J. R. McCrone, Jr., Inc., registered professional engineers and land surveyors, and recorded among the Plat Records of Dorchester County at Plat Liber P.L.C. No. 22, folio 72.

(b) The Property is subject to certain Mandates and Covenants (as hereinafter defined in Section 6) and a lease [license] agreement for an elevated four-panel billboard sign.

~~(c)~~ The Property includes:

(i) all and singular the rights, alleys, ways, tenements, hereditaments, easements, appurtenances, passages, waters, advantages and privileges now or hereafter appertaining to the Property or any part thereof;

(ii) all improvements, structures, and buildings including, fixtures and equipment, if any, located on the Property except as expressly provided herein; and

(iii) such other rights, interests, and properties as may be specified in this Agreement to be sold, transferred, assigned, or conveyed by Seller to Buyer; ~~and~~

~~(iv) is subject, however, to certain Mandates and Covenants (as hereinafter defined in Section 6).~~

3. PURCHASE PRICE: The purchase price (the “Purchase Price”) to be paid by Buyer to Seller for the Property is FIVE AND 00/100 DOLLARS (\$5.00). At the Closing, Buyer shall pay the Purchase Price by cash, certified funds, or electronic funds transfer. The Parties have agreed that the adequacy of the Purchase Price reflects CWDI’s agreement to abide by and be burdened by the terms and provisions of the Mandates and Covenants and other conditions contained in this Agreement.

4. DEPOSIT: No deposit is required.

5. PAYMENT OF THE PURCHASE PRICE: The Purchase Price shall be paid by Buyer to Seller at the Closing as follows:

(a) Payment by Escrow Agent of the Deposit as Buyer may direct.

(b) A cashier's or title company check or wire transfer to Seller in an amount equal to the balance of the Purchase Price net of the adjustments as are provided for herein.

6. MANDATES AND COVENANTS: Pursuant to the terms and conditions of several agreements by and between the State and the City for grants related to the prior acquisition, cleanup, maintenance and development of the Gateway Property, the following restrictions are hereby mandated by such agreements (collectively the "Mandates and Covenants"). The Parties acknowledge that certain of the Mandates and Covenants have already been satisfied by the City and/or Sailwinds Park, Inc. and others will run the land:

(a) Any deed or other instrument pursuant to which fee simple ownership of the Property, or any portion thereof, is transferred from the City to CWDI, and any subsequent development or use thereof, shall be expressly subject to the terms and conditions set forth in the following:

(i) Memorandum of Understanding and Agreement for Sailwinds Gateway Funding by and between the City and Sailwinds Park, Inc. dated April 14, 2014, which includes, without limitation, the following applicable restrictions:

A. The City, Sailwinds Park, Inc. and CWDI must work cooperatively in the planning and design of the redevelopment plan for the Property and to ensure compliance with all State of Maryland ("State") Department of Housing and Community Development ("DHCD") Strategic Demolition and Smart Growth Impact Fund ("State SDSGIF") Grant requirements, including the keeping and submission of compliance reporting documentation;

B. The City shall appoint a Gateway Planning Committee which shall include not less than two (2) members of Sailwinds Park, Inc., and be responsible for the planning and design of the plan for the Property, the development for on-going maintenance plans, and ensuring all development activity at the Property strictly complies with the requirements of the State SGIF Grant Agreements;

C. The Property must be developed consistent with the City's Comprehensive Plan, Waterfront 20/20 Plan, and include components which are compatible and complementary to the Visitor's Center and the Sailwinds Park development, which components may include without limitation a community park, public art displays, monuments, plantings and welcome signs; and

(ii) State SGIF Agreement by and between DHCD and Sailwinds Park, Inc. (State SDSGIF #13026), dated May 20, 2014, which includes, without limitation, the following applicable restrictions:

A. The Property must be developed consistent with the City's Comprehensive Plan, local revitalization plan, economic development plan, transit-oriented development plan or an approved Sustainable Communities Action Plan;

B. The Property shall not be used for pawn shops, gun shops, tanning salons, massage parlors, adult video/book shops, adult entertainment facilities, check cashing facilities, gambling facilities, tattoo parlors or liquor stores;

C. Any cost savings and/or unspent grant funds upon completion of redevelopment of the Property shall be returned to the State;

D. The State must approve all changes in the project description, completion date, budget of any other item of the proposed Project

E. The owner must maintain accurate financial and management and other records, including meeting minutes of bodies or boards for transactions relating to the administration of the redevelopment of the Property and receipt and expenditure of any grant funds;

F. The redevelopment project must ensure any contractors and agents are bound by the terms of the Grant Agreement;

G. All necessary approvals must be obtained, including all applicable federal, State and local government approvals, licenses and permits; and

(iii) State SGIF Agreement by and between DHCD and Sailwinds Park, Inc. (State SDSGIF #14027), dated June 19, 2014, which includes without limitation, the following applicable restrictions:

A. The project will align with the City's Comprehensive Plan, local revitalization plan, economic development plan, transit-oriented development plan or an approved Sustainable Communities Action Plan;

B. The development of the Property shall not include projects of the following types of activities, including pawn shops, gun shops, tanning salons, massage parlors, adult video/book shops, adult entertainment facilities, check cashing facilities, gambling facilities, tattoo parlors or liquor stores;

C. Any cost savings and/or unspent grant funds upon completion of redevelopment of the Property shall be returned to the State;

D. The State must approve all changes in the project description, completion date, budget of any other item of the proposed project

E. The owner must maintain accurate financial and management and other records, including meeting minutes of bodies or boards for transactions relating to the administration of the redevelopment of the Property and receipt and expenditure of any grant funds;

F. The redevelopment project must ensure any contractors and agents are bound by the terms of the Grant Agreement;

G. All necessary approvals must be obtained, including all applicable federal, State and local government approvals, licenses and permits; and

(iv) State SGIF Agreement by and between DHCH and the City (SRP-SDSGIF-2015-Cambridge-00123), dated May 26, 2015, which includes without limitation, the following applicable restrictions:

A. The development of the Property shall not include projects of the following types of activities, including pawn shops, gun shops, tanning salons, massage parlors, adult video/book shops, adult entertainment facilities, check cashing facilities, gambling facilities, tattoo parlors or liquor stores;

B. Any cost savings and/or unspent grant funds upon completion of redevelopment of the Property shall be returned to the State;

C. The State must approve all changes in the project description, completion date, budget of any other item of the proposed project;

D. The owner must maintain accurate financial and management and other records, including meeting minutes of bodies or boards for transactions relating to the administration of the redevelopment of the Property and receipt and expenditure of any grant funds;

E. The redevelopment project must ensure any contractors and agents are bound by the terms of the Grant Agreement;

F. All necessary approvals must be obtained, including all applicable federal, State and local government approvals, licenses and permits; and

(v) Maryland Community Development Block Grant Program (“CBDG”) Grant Agreement between DHCD and the City (Grant No. MD-16-CD-8; Gateway Demolition), on or about May 9, 2016, which includes without limitation, the following applicable restrictions:

A. Any cost savings and/or unspent grant funds upon completion of redevelopment of the Property shall be returned to the State and other funding sources;

B. The Property shall be subject to regulations, policies and procedures adopted by the Department of Housing and Urban Development governing the CBDG Program;

C. All necessary approvals must be obtained, including all applicable federal, State and local government approvals, certifications, licenses and permits;

D. The State must approve all changes in the project description, completion date, budget of any other item of the proposed project;

E. The owner must maintain accurate financial and management and other records, including meeting minutes of bodies or boards for transactions relating to the administration of the redevelopment of the Property and receipt and expenditure of any grant funds;

F. The Property must be retained as open space in perpetuity. The deed transferring ownership of the Property must include the open space restriction required by the CBDG Grant Agreement. (Grant Exhibit A, § 11);

G. Any owner may not attempt to recover capital costs of public improvements assisted in whole or in part with CBDG funds by assessing any amount against properties owned and occupied by low or moderate income persons (Grant Exhibit E, § 8);

H. Every building or facility designed, constructed or altered with CBDG funds must comply with handicap facility accessibility as stated in the American Standard Specification for Making Buildings and Facilities Accessible to and Usable by the Physically Handicapped, No. A-117.1 1980 (Grant Exhibit E, § 10); and

I. The Property is subject to certain subcontractor and agent agreement and qualification requirements (Grant Exhibit E-1);

(b) CWDI agrees to assume the risk and responsibility that the terms and conditions of any subsequent development, use or transfer of the Property, in whole or in part, complies with the terms and conditions of the applicable Mandates and Covenants.

(c) The Mandates and Covenants are incorporated herein by reference as if the terms and conditions were fully restated.

7. DUE DILIGENCE PERIOD:

(a) Seller hereby agrees that Buyer shall have a period of sixty (60) days from the Effective Date in which to undertake such studies and investigations of the Property as Buyer deems necessary or appropriate in its sole discretion and to obtain State approval of the Property transfer as agreed by the Parties (the “Due Diligence Period”). Seller hereby grants to Buyer and its affiliates, employees and agent’s reasonable access to the Property during the Due Diligence Period to conduct such studies, tests and evaluations as Buyer may elect, provided, however, that such access shall not

unreasonably interfere with the business activities of Seller's tenants. In the event Buyer determines that the Property is not suitable for any reason in Buyer's sole discretion or Buyer does not wish to proceed with the transaction described herein, Buyer shall have the right and option to terminate this Agreement upon written notice delivered to Seller prior to the expiration of the Due Diligence Period, in which case neither party shall have any further liability to the other.

(b) The Buyer agrees that all such tests and inspections conducted by Buyer and its agents shall be conducted at the expense of the Buyer. The Buyer agrees to indemnify and hold Seller harmless from and against any claim, suit, or damage arising out of the Buyer's or the Buyer's agents' entry, tests and inspections on or about the Property.

(c) Buyer may shorten or terminate the Due Diligence Period at any time in its sole discretion in order to accelerate the Closing Date as described in Section 14 hereof.

(d) Promptly after the Effective Date, the Seller shall deliver to the Buyer, at no cost to the Buyer, any of the following if in the possession of Seller: all plans and specifications, surveys, appraisals, agreements, including lease agreements, occupancy permits, licenses, zoning authorizations, environmental reports and other similar documents for the Property.

8. COVENANTS OF SELLER: Seller hereby covenants and agrees as follows:

(a) Leases and Rents. Except as otherwise provided in this Agreement, from the Effective Date until the Closing Date, Seller shall not enter into any new leases of the Property, enter into any agreements applicable to the Property with any governmental authorities or grant any easements affecting the Property or impose any restrictions on the Property or otherwise encumber the Property, without the prior written consent of the Buyer.

(b) Notices. The Seller shall promptly give the Buyer copies of any written notices which the Seller receives relating to the Property.

(c) Insurance. The Seller shall continue the insurance policies on the Property in force during the term of this Agreement. Buyer shall have the right, at the Buyer's option and expense, to obtain such insurance, or additional insurance, as shall be satisfactory to the Buyer.

(d) Condition of the Property. The Property is being transferred in "AS IS" condition without any warranties or representations except those specified herein. The Seller shall continue to maintain the Property in the same manner as prior to the Effective Date so as to ensure that the Property remains essentially in its present physical condition, normal wear and tear and damage by fire and other casualty excepted, between the Effective Date and the Closing Date.

(e) Assistance to Buyer in Seeking Governmental Approvals. To the extent that Buyer as part of its analysis during the Due Diligence Period wishes to seek any governmental approvals relating to planning and zoning requirements including site plan approval, critical area matters, building permit matters, and similar approvals affecting Buyer's intended use of the Property, Seller agrees to cooperate with Buyer in seeking such approvals and agrees to sign such authorizations as may be required to enable Buyer to seek such governmental reviews and

approvals so long as any such approvals are not effective until after Closing. Likewise, the Parties shall cooperate in obtaining the approval of the State as specified in Section 6.

9. REPRESENTATIONS AND WARRANTIES OF SELLER: Seller represents and warrants to Buyer as of the date hereof and as of the Closing Date as follows:

(a) Good Standing. Seller is a body politic and municipal corporation under the laws of the State of Maryland.

(b) Authority. Seller has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby and Seller has taken all action necessary to authorize the execution, delivery and performance of this Agreement, the completion of the transactions contemplated hereby and the execution and delivery of any and all instruments necessary or appropriate in order to effectuate fully the terms and conditions of this Agreement.

(c) Binding Agreement. This Agreement has been duly and properly executed by Seller, constitutes the valid and legally binding obligation of Seller, and is fully enforceable against Seller in accordance with its terms.

(d) No Conflicting Agreements. There is (i) no provision of any existing mortgage, indenture, contract or agreement binding on Seller or affecting its property, other than the Mandates and Covenants, and (ii) no order of court binding on Seller or affecting any of its property, which would conflict with, be breached by or in any way prevent the execution, delivery, or performance of the terms of this Agreement. No default or breach exists under any right-of-way, easement, covenant, restriction, condition, license, or other encumbrance affecting the Property, either as the servient or dominant estate.

(e) Leases or License Agreements. ~~[reserved]~~The City's lease [license] agreement for an elevated four-panel billboard sign on the Property will be assigned to CWDI.

(f) No Condemnation Pending. Seller has received no notice of any pending condemnation or similar proceeding affecting the Property, or any portion thereof, nor has Seller knowledge that any such action is threatened or contemplated.

(g) Pending Litigation. To the best of Seller's knowledge, there are no legal actions, suits, or other legal or administrative proceedings, including condemnation cases, pending or threatened against the Property.

(h) Utilities. [reserved]

(i) Hazardous Materials. To Seller's knowledge, except for cleaning and maintenance supplies commonly used in connection with the operation of properties such as the Property, there has been no release, manufacture, storage, or disposal of any substance or material at the Property, the generation, storage or disposal of which is regulated under the Comprehensive Response, Compensation and Liability Act, 42 USC Section 9601 et seq., or any comparable law, regulation or order of any governmental body, and no previous owner has stored, generated or

disposed of any such material at the Property. Seller has not received any complaint order, citation, or notice from any person, government, or entity which regard to environmental matters affecting the Property. To Seller's knowledge, no underground storage tanks of any kind or any nature are currently located within the boundaries of the Property.

(j) Boundary Lines. To the best of the Seller's knowledge, the improvements constructed on the Property are completely within the boundary lines of the Property and do not violate any setback requirements and no structures or improvements of any kind encroach on the Property.

(k) Mechanics' Liens. No work has been done or will be done, and no materials have been or will be supplied, to the Property by or for the benefit of the Seller that will enable or permit the filing of a mechanic's lien or any other lien against the Property.

(l) Survival. The representations and warranties made by Seller contained in this Agreement shall survive the Closing (as hereinafter defined) and shall not merge with the deed conveying the Property to Buyer, and acceptance of possession of the Property by Buyer at closing shall not be deemed a waiver of Seller's obligation to deliver the Property in the condition set forth herein.

10. REPRESENTATIONS AND WARRANTIES OF BUYER: Buyer represents and warrants to Seller as of the date hereof and as of the Closing Date as follows:

(a) Good Standing. Buyer (or, at Closing, its permitted assigns) is duly organized, validly existing, and in good standing under the laws of the state in which it was organized and the states in which it is authorized to do business.

(b) Authority. Buyer has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby and Buyer has taken all action necessary to authorize the execution, delivery and performance of this Agreement, the completion of the transactions contemplated hereby and the execution and delivery of any and all instruments necessary or appropriate in order to effectuate fully the terms and conditions of this Agreement.

(c) Binding Agreements. This Agreement has been duly and properly executed by Buyer, constitutes the valid and legally binding obligation of Buyer, and is fully enforceable against Buyer in accordance with its terms.

(d) Survival. The representations and warranties made by Buyer contained in this Agreement shall survive the Closing and shall not merge with the Deed conveying the Property to Buyer.

11. CONDITIONS PRECEDENT TO CLOSING: The Parties' obligations hereunder to complete Closing shall be conditioned upon the satisfaction (or each party's written waiver thereof) of each of the following conditions precedent:

(a) Title. Title to the Property shall be conveyed to Buyer at Closing free of liens, encumbrances, judgments, leases, covenants, conditions, restrictions and rights-of-way except the Permitted Encumbrances (as herein defined); and title is to be merchantable and good of record and insurable at standard rates by a recognized title insurance company licensed to do business in the State of Maryland. For purposes of this Agreement, Permitted Encumbrances shall mean the following (collectively, the “Permitted Encumbrances”):

(i) any and all instruments and matters of record on the date hereof to which Buyer has not objected, other than any mortgage, deed of trust or judgment lien, lien for unpaid taxes due as of the date of Closing, or other lien upon such title, each of which the Seller shall cause to be released at or before Closing;

(ii) the Mandates and Covenants per Section 6;

(iii) subject to such matters, conditions and restrictions set forth on a plat entitled, “Land of The Estate of Edward L. Meredith” dated December 1978, prepared by J. R. McCrone, Jr., Inc., registered professional engineers and land surveyors, and recorded among the Plat Records of Dorchester County at Plat Liber P.L.C. No. 22, folio 72;

(iv) subject to a right of way as set forth in a deed dated August 30, 1979 and recorded among the Land Records for Dorchester County, Maryland at Liber No. 211, folio 202;

(v) subject to a right of way for utilities to Delmarva Power & Light Co. dated November 26, 1979 and recorded among the aforesaid Land Records at Liber No. 216, folio 579;

(vi) subject to a deed to the State Highway Administration dated February 20, 1989 and recorded among the aforesaid Land Records at Liber No. 257, folio 314;

(vii) subject to a right of way easement to the Eastern Shore Public Service Company of Maryland dated January 28, 1947 and recorded among the Land Records for Dorchester County, Maryland in Liber No. 61, folio 193;

(viii) subject to a right of way easement to the Eastern Shore Public Service Company of Maryland dated June 25, 1949 and recorded among the Land Records for Dorchester County, Maryland in Liber No. 69, folio 431;

(ix) subject to a right of way easement to the Eastern Shore Public Service Company of Maryland dated November 28, 1950 and recorded among the Land Records for Dorchester County, Maryland in Liber No. 73, folio 592;

(x) subject to a right of way easement to the State Roads Commission of Maryland Board of Public Works dated November 18, 1952, and recorded among the aforesaid Land Records in Liber No. 79, folio 534;

(xi) subject to a right of way easement to the Eastern Shore Public Service Company of Maryland dated April 14, 1953 and recorded among the Land Records for Dorchester County, Maryland in Liber No. 83, folio 44;

(xii) subject to a deed to the State Highway Administration dated October 28, 1999 and recorded among the aforesaid Land Records in Liber No. 413, 485; ~~and~~

(xiii) subject to a utility easement to Delmarva Power & Light Company dated December 27, 2007 and recorded among the aforesaid Land Records in Liber No. 856, folio 417; ~~and~~;

(xiv) subject to a lease [license] agreement for an elevated four-panel billboard sign.

If Seller shall be unable to give title or to make conveyance as herein provided, then Seller shall utilize its best efforts and take such steps and actions, at Seller's expense, to remove any title defect and the time for the consummation of the transactions contemplated by this Agreement shall be extended thirty (30) days. If Seller is unable to remove such title defect within the above described thirty (30) day period, then, at the option of Buyer, this Agreement shall become null and void and the Deposit, shall be promptly refunded to Buyer and neither party shall have any further liability to the other hereunder. Buyer may, nevertheless, accept such title as Seller may be able to convey and transfer without a reduction in the Purchase Price.

(b) Satisfactory Completion of Due Diligence Period. Buyer did not give notice to Seller of its election to terminate this Agreement prior to the expiration of the Due Diligence Period.

(c) Correctness of Representations and Warranties. The representations and warranties of the Parties set forth herein shall be true on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date. The Parties, by consummating the transaction contemplated hereby, shall be deemed conclusively to have certified at the Closing that all such representations and warranties were materially true on and as of the Closing Date.

(d) Condition of Property. The Property shall be in substantially the same condition on the Closing Date as existed on the Effective Date, normal wear and tear excepted.

(e) Time Period to Satisfy Conditions Precedent. If the conditions precedent set forth in this Section 11 have not been satisfied by the times specified herein, and no extension(s) has been agreed to by the Parties, this Agreement shall become null and void and there shall be no further liability by either of the Parties to the other hereunder.

12. CONDEMNATION: If after the date of this Agreement and prior to the Closing all or a part of the Property is taken by eminent domain or condemnation (or sale in lieu thereof), Buyer may by written notice to Seller elect to cancel this Agreement prior to the Closing whereupon Seller and Buyer shall have no further liability to the other hereunder. If no such

election is made, this Agreement shall remain in full force and effect and the transactions contemplated herein, less any interest taken by eminent domain or condemnation, shall be consummated as herein provided, without reduction of the Purchase Price, but all condemnation awards or payments shall be paid or assigned to the Buyer at Closing.

13. RISK: The Property shall be held at the sole risk of Seller until legal title has passed to Buyer and Seller assumes all loss or damage to the Property until the Closing.

14. CLOSING: The consummation of the transaction contemplated by this Agreement (“Closing”) shall take place on or before the date that is fourteen (14) days from the expiration of the Due Diligence Period (“Closing Date”) at a location mutually agreed to by the Parties, with MacLeod Law Group, LLC designated as the Closing agent (the “Closing/Escrow Agent”). The Closing/Escrow Agent is authorized to receive, deposit, and distribute funds for the Parties; prepare and obtain execution of escrow instructions, closing documents, and instruments evidencing the terms and conditions of this transaction as are required for the Closing; and conduct the Closing and provide for recording of the documents.

15. TAXES AND CLOSING COSTS: Taxes and all other charges on an annual basis will be adjusted as of the Closing. 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 BUYER AND SELLER. Pursuant to negotiations, all transfer taxes and documentary stamps, to the extent applicable given the governmental and tax-exempt status of the Parties, shall be paid by Buyer.

All costs of title examination of the Property and the premiums payable for title insurance purchased by Buyer, if any, costs of preparation of the deeds and any other documents necessary or advisable to consummate the transaction contemplated hereunder and any recording fees, and notary fees shall be paid by Buyer.

16. FURTHER ASSURANCES. In addition to the obligations required to be performed hereunder by each party at Closing, the Parties agree to perform such other acts, and to execute, acknowledge, and/or deliver subsequent to the Closing such other instruments, documents, and other materials, as the other party may reasonably request in order to consummate the transactions contemplated hereunder.

17. PRORATION OF TAXES, UTILITIES AND RENT.

(a) Taxes. Annual real estate taxes shall be prorated and adjusted between the Parties as of the Closing Date. In the event that there are other real estate taxes, special and other assessments, pay-back agreements, and tax liens due and owing as of the Closing Date with respect to the Property, Seller shall pay such tax liabilities.

(b) Utility Charges. All charges for water, sewer service, gas, electricity, telephone service and other public utility services furnished to any or all of the Property for the

Seller's account shall be adjusted between the Seller and the Buyer as of the date of Closing (the "Adjustment Date"). If there are meters on the Property measuring the consumption of water, gas or electric current, the Seller shall, not more than one (1) day before the Adjustment Date, cause such meters (for utilities for which the Seller, and not any tenant, is directly responsible to the provider thereof) to be read, and shall pay all utility bills for service rendered before such readings promptly on the Seller's receipt of such bills.

(c) Rent. Rent due under any lease or license agreement shall be adjusted and apportioned as of the Closing Date.

18. POSSESSION: Possession of the Property shall be given by Seller to Buyer upon completion of the Closing.

19. DEFAULT: The Parties are required and agree to make full Closing in accordance with the terms of this Agreement and acknowledge that failure to do so constitutes a breach hereof. If either party fails to make full Closing or is in default due to its failure to comply with the terms, covenants and conditions of this Agreement, the non-breaching party is entitled to pursue such rights and remedies as may be available at law or in equity, including without limitation, an action for specific performance of this Agreement. If either party defaults, the party committing the default, whether Buyer or Seller, shall reimburse the non-defaulting party for costs, including reasonable attorney's fees, incurred as a result of the default.

20. ASSIGNMENT: This Agreement may be assigned by CWDI with the express approval of the City. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

21. BROKERS AND AGENTS: Seller and Buyer represent and warrant to each other that no real estate agent or broker is entitled to a commission in connection with the transactions set forth herein. The Parties shall each defend and indemnify the other against all claims and liabilities for any commissions or other compensation in connection with this matter arising through the indemnifying party.

22. NOTICES: Any notice to be given or to be served upon any party hereto, in connection with this Agreement, must be in writing, and may be given by hand delivery, facsimile transmission or certified mail. In the case of certified mail, the notice shall be deemed to have been given and received when a certified letter containing such notice, properly addressed, with postage prepaid is deposited in the United States mails; and if given otherwise than by certified mail, it shall be deemed to have been given when delivered to and received by the party to whom it is addressed. Such notice shall be given to the Parties hereto at the following addresses:

SELLER: The Commissioners of Cambridge
 c/o Victoria Jackson-Stanley, Mayor
 410 Academy Street
 Cambridge, Maryland 21613

BUYER: Cambridge Waterfront Development, Inc.

c/o Richard M. Zeidman, President
5263 Bucktown Road
Office No. 2 - Mailbox No. 5
Cambridge, Maryland 21613

Any party hereto may, at any time by giving five (5) business days written notice to the other party hereto, designate any other address in substitution of the foregoing address to which such notice shall be given and other parties to whom copies of all notices hereunder shall be sent.

23. NOTICE CONCERNING THE CHESAPEAKE AND ATLANTIC COASTAL BAYS CRITICAL AREA: Buyer 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 designated 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 may be located within the Critical Area, the Buyer may contact the department of planning and zoning for the City of Cambridge, Maryland.

24. OTHER PROVISIONS:

(a) Applicable Law. It is the intention of the Parties hereof that all questions with respect to the construction of this Agreement and rights and liabilities of the Parties hereunder shall be determined in accordance with the laws of the State of Maryland.

(b) Entire Agreement. This Agreement embodies and constitutes the entire understanding among the Parties with respect to the transactions contemplated herein, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement.

(c) Modification. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged, or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

(d) Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

(e) Binding Effect. The terms of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their successors and permitted assigns.

(f) Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document.

(g) Interpretation. Whenever the context hereof shall so require the singular shall include the plural, the male gender shall include the female gender and the neuter, and vice versa.

(h) Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(i) Joint and Several. The obligations, liabilities and representations of Buyer specified in this Agreement are the joint and several obligations, liabilities and representations of each such person or entity and the term “Buyer” means each as well as all of them.

(j) Representations. Any representation, warranty, covenant or agreement made herein shall be deemed to be material and to have been relied upon by the party to whom it is made.

(k) Time of Essence. Time is of the essence of this Agreement.

(l) Scope of Agreement. Covenants of cooperation herein notwithstanding, this Agreement is not intended to limit the exercise of police powers of the City, to limit the operation of the City government, or to guarantee the outcome of any administrative process. Unless otherwise specifically provided in writing, this Agreement shall be subject to all duly enacted laws and properly adopted governmental regulations, now or hereafter existing and applicable.

IN WITNESS WHEREOF, the Parties hereto have executed and sealed this Transfer Agreement as of the dates written; provided, however, that for the purpose of determining the Effective Date, as used in this Agreement, such date shall be the last date any of the Parties hereto executes this Agreement.

SELLER:

CITY OF CAMBRIDGE, MARYLAND

The Commissioners of Cambridge

WITNESS/ATTEST:

Patrick E. Comiskey
City Manager

_____(SEAL)
Victoria Jackson-Stanley, Mayor

Date of Execution: _____

BUYER:

**CAMBRIDGE WATERFRONT
DEVELOPMENT, INC.**

WITNESS/ATTEST:

Sandra Tripp-Jones
Interim Executive Director

_____(SEAL)
Richard M. Zeidman, President

Date of Execution: _____

APPROVED AS TO FORM:

Charles D. MacLeod, Esq.
City Attorney