

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY – 13-10**

RESOLUTION NO. 46-2013

Title of Resolution: Amendment--Land Purchase Agreement—Home Partnership—214 North Street

Synopsis: A Resolution amending a Land Purchase Agreement dated July 6, 2012 by and between the Board of County Commissioners of Cecil County (now the County Council of Cecil County) and Home Partnership of Cecil County for the sale of real property identified as Parcel 1204, Lot 1, Map 10, which is located in the Third Election District of Cecil County, containing 1.115 acres of land, more or less, together with the improvements thereupon.

Introduced by: Council President on behalf of the County Executive

Introduced and ordered posted on: May 21, 2013

Public hearing scheduled on: June 18, 2013

at: 7:00 p.m.

PUBLIC HEARING

Notice of time and place of public hearing and title of Resolution having been posted by _____ at the County Administration Building, 200 Chesapeake Blvd., Elkton and having been published according to Md. Code Ann., Art. 25, § 8 and the Charter on _____, a public hearing was held on _____, and concluded on _____.

By: _____
Council Manager

Amendment—Land Purchase Agreement—Home Partnership—214 North Street

1 **WHEREAS**, by Land Purchase Agreement dated July 6, 2012 (the “Agreement”) the County agreed to
2 sell and Home Partnership of Cecil County (the “Purchaser” or “HPCC”) agreed to purchase a portion of the
3 property located at District 03, Map 310, Parcel 1204, Lot 1, containing 1.115 acres of land, more or less,
4 as more fully described in the Agreement as the “Property”; and,

5 **WHEREAS**, the Cecil County, Maryland has, since the time of the Agreement, converted from a
6 commissioner form of government to a charter form of government; and,

7 **WHEREAS**, the County Council of Cecil County (the “Council”) and Home Partnership of Cecil
8 County, Inc. (“HPCC”) desire to amend the Agreement (the “First Amendment”) by increasing the purchase
9 price such that the purchase price shall now be equal to the lesser of (a) Four Hundred Fifty Thousand
10 Dollars (\$450,000.00) or (b) the difference between (i) the total value of the property, as improved, as set
11 forth in the Appraisal, less (ii) the value of the land as set forth in the Appraisal, provided, however, in the
12 event the Purchase Price is less than Four Hundred Fifteen Thousand Dollars (\$415,000), provided,
13 however, that HPCC shall have the option to terminate the First Amendment by providing written notice of
14 such termination within fifteen (15) days of receipt of a copy of the Appraisal for the Property; and,

15 **WHEREAS**, as additional consideration for the Property, HPCC has agreed to rehabilitate
16 approximately one-half (1/2) of the property owned by the County which is commonly known as 137 East
17 High Street, Elkton, Maryland (the “High Street Property”) in accordance with the plans and specifications
18 attached hereto and made a part hereof as Exhibit B; and,

19 **WHEREAS**, the County has agreed to cooperate with HPCC to facilitate HPCC’s rehabilitation of the
20 High Street Property, which cooperation includes the acquisition of all necessary governmental permits and
21 licenses required in connection with such rehabilitation; and,

22 **WHEREAS**, HPCC and the County desire to make the following amendments to the Agreement:

23 a. Section 4.b of the Agreement is hereby deleted in its entirety and is replaced by the
24 following:

25 b. If this Agreement has not been terminated by Purchaser pursuant to
26 the provisions of Section 6 below or as otherwise provided in this Agreement, then
27 within fifteen (15) days of Purchaser’s receipt of a Section 42(m) Determination
28 Letter as defined in Section 7 below), an additional deposit of Ten Thousand Dollars
29 (\$10,000.00) shall be deposited by Purchaser with Escrow Agent (the “Second
30 Deposit”).

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b. The Third sentence of Section 4.c is of the Agreement hereby deleted in its entirety and is replaced by the following:

The Initial Deposit shall remain fully refundable until receipt of the Section 42(m) Determination Letter and payment of the Second Deposit.

c. The following Section 4.d is hereby added to the Agreement.

d. Notwithstanding anything contained herein to the contrary, the Deposit shall be non-refundable in the event of the recordation of an add-on plat for the Additional Property prior to Closing.

d. Section 7 of the Agreement is hereby deleted in its entirety and is replaced by the following:

7. Tax Credit Allocation Contingency. This Agreement is contingent upon Purchaser receiving an allocation for Four Percent (4%) Low Income Housing Tax Credits (“Tax Credits”) and receipt from the Maryland Community Development Administration (“CDA”) of a written determination that Purchaser’s Intended Use meets the requirements set forth in Section 42m(1)(D) and 42m(2)(D) of the Internal Revenue Code of 1986 (the “Section 42m Determination Letter”). Within fifteen (15) days of receipt of the Section 42m Determination Letter, Purchaser shall (i) deliver to Seller a copy of the Section 42m Determination Letter, and (ii) simultaneously deliver the Second Deposit to Escrow Agent in accordance with the provisions of Section 4.b above. If Purchaser is unsuccessful in receiving the Section 42m Determination Letter by December 31, 2013, then this Agreement shall automatically terminate and thereupon the Initial Deposit referred to in Section 4.a shall be promptly refunded and returned to Purchaser and this Agreement shall be null and void and of no further force and effect other than the Surviving Obligations set forth in Section 6 above. Purchaser shall use reasonable efforts and diligence to obtain the Tax Credits; provided, however, that if Purchaser in its sole but reasonable discretion determines it is not feasible or likely that the Tax Credits can be obtained for the Property, then Purchaser may elect not to apply for the Tax Credits and may, by written notice to Seller terminate this Agreement and thereupon the Initial Deposit

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61 referred to in Section 4.a shall be promptly refunded and returned to Purchaser and
62 this Agreement shall be null and void and of no further force and effect other than
63 the Surviving Obligations set forth in Section 6 above.

64 e. Section 9.b of the Agreement is hereby deleted in its entirety.

65 **NOW, THEREFORE, BE IT HEREBY RESOLVED** by the County Council of Cecil County, Maryland, that
66 the Land Purchase Agreement dated July 6, 2012 be, and it is hereby amended, as follows:

67 a. Section 4.b of the Agreement is hereby deleted in its entirety and is replaced by the
68 following:

69 b. If this Agreement has not been terminated by Purchaser pursuant to
70 the provisions of Section 6 below or as otherwise provided in this Agreement, then
71 within fifteen (15) days of Purchaser’s receipt of a Section 42(m) Determination
72 Letter as defined in Section 7 below), an additional deposit of Ten Thousand Dollars
73 (\$10,000.00) shall be deposited by Purchaser with Escrow Agent (the “Second
74 Deposit”).

75 b. The Third sentence of Section 4.c is of the Agreement hereby deleted in its entirety
76 and is replaced by the following:

77 The Initial Deposit shall remain fully refundable until receipt of the Section
78 42(m) Determination Letter and payment of the Second Deposit.

79 c. The following Section 4.d is hereby added to the Agreement.

80 d. Notwithstanding anything contained herein to the contrary, the
81 Deposit shall be non-refundable in the event of the recordation of an add-on plat for
82 the Additional Property prior to Closing.

83 d. Section 7 of the Agreement is hereby deleted in its entirety and is replaced by the
84 following:

85 7. Tax Credit Allocation Contingency. This Agreement is contingent upon
86 Purchaser receiving an allocation for Four Percent (4%) Low Income Housing Tax
87 Credits (“Tax Credits”) and receipt from the Maryland Community Development
88 Administration (“CDA”) of a written determination that Purchaser’s Intended Use
89 meets the requirements set forth in Section 42m(1)(D) and 42m(2)(D) of the Internal
90 Revenue Code of 1986 (the “Section 42m Determination Letter”). Within fifteen (15)

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91 days of receipt of the Section 42m Determination Letter, Purchaser shall (i) deliver to
 92 Seller a copy of the Section 42m Determination Letter, and (ii) simultaneously deliver
 93 the Second Deposit to Escrow Agent in accordance with the provisions of Section 4.b
 94 above. If Purchaser is unsuccessful in receiving the Section 42m Determination
 95 Letter by December 31, 2013, then this Agreement shall automatically terminate and
 96 thereupon the Initial Deposit referred to in Section 4.a shall be promptly refunded
 97 and returned to Purchaser and this Agreement shall be null and void and of no
 98 further force and effect other than the Surviving Obligations set forth in Section 6
 99 above. Purchaser shall use reasonable efforts and diligence to obtain the Tax
 100 Credits; provided, however, that if Purchaser in its sole but reasonable discretion
 101 determines it is not feasible or likely that the Tax Credits can be obtained for the
 102 Property, then Purchaser may elect not to apply for the Tax Credits and may, by
 103 written notice to Seller terminate this Agreement and thereupon the Initial Deposit
 104 referred to in Section 4.a shall be promptly refunded and returned to Purchaser and
 105 this Agreement shall be null and void and of no further force and effect other than
 106 the Surviving Obligations set forth in Section 6 above.

107 e. Section 9.b of the Agreement is hereby deleted in its entirety.

108 **AND BE IT FURTHER RESOLVED** that the Land Purchase Agreement dated July 6, 2012 is hereby
 109 ratified, subject to the amendments set forth herein.

110
 111 INTRODUCED: May 21, 2013

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 113 PUBLIC HEARING HELD ON _____ AND CONCLUDED ON _____

114
 115 ADOPTED: _____

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 117 _____
 118 President of the Council

119 ATTEST:
 120 _____
 121 _____
 122 Council Manager

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By the Executive:

County Executive

Date