

FIRST AMENDMENT TO LAND PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO LAND PURCHASE AGREEMENT (the "First Amendment"), is made as of this ___ day of September, 2013, by and between CECIL COUNTY, MARYLAND, a body corporate and politic of the State of Maryland ("Seller"), and HOME PARTNERSHIP OF CECIL COUNTY, INC. ("Purchaser"), a Maryland non-profit corporation or its permitted assigns.

INTRODUCTORY STATEMENT

A. Seller is the owner in fee simple of that certain parcel of land, situate and lying within the Town of Elkton, Maryland (the "Town"), known Lot 1, as shown on a plat entitled "Minor Subdivision of the Lands of The Commissioners of Cecil County" as recorded among the Land Records of Cecil County in Liber PC No. 1112, Folio 2 (the "Plat"), being also known as 214 and 218 North Street, Elkton, Maryland 21921, containing approximately 1.115 acres of land, more or less ("Lot 1"), as well as Lot 2, containing 1.687 acres of land, more or less ("Lot 2").

B. The parties intend to cooperate to re-subdivide the parcels shown on the Plat to adjust the property lines between Lot 1 and Lot 2 as shown on the Plat and to reconfigure Lot 1 (such reconfigured Lot 1 to contain not less than 1 acre of land) (the reconfigured Lot 1 being hereinafter referred to as the "Property").

C. Purchaser desires to purchase the Property, and Seller desires to sell the Property to Purchaser, upon the terms, covenants and conditions set forth in this First Amendment.

D. Purchaser intends to acquire and develop the Property for the purpose of construction and operation of a multi-family rental housing project containing not less than fifty (50) affordable age-restricted apartment units ("Purchaser's Intended Use").

E. By Land Purchase First Amendment dated July 6, 2012 (the "Original Agreement"), Seller agreed to sell and Purchaser agreed to purchase a portion of the Property.

F. The parties now desire to make material changes to the Original Agreement, and now enter into this First Amendment upon the terms and conditions as set forth herein, to provide for, among other items, the acquisition of additional land that comprises a portion of the Property, and the provision of funds to compensate Seller for the relocation of Cecil County Department of Emergency Services operations from their current location at 218 East High Street, Elkton, Maryland 21921, which property is being sold to Purchaser under this First Amendment.

NOW, THEREFORE, in consideration of the covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Incorporation of Introductory Statement.** The Introductory Statement set forth above is incorporated in this First Amendment as a substantive part hereof and not as a mere recital.

2. **Property.** Subject to the terms and conditions hereinafter set forth in this First Amendment, Seller hereby agrees to sell to Purchaser and Purchaser hereby agrees to purchase from Seller, the Property together with all rights, alleys, ways, waters, privileges, appurtenances and advantages to the same belonging or in any way appertaining to the Property to the extent owned and transferable by Seller, including, but not limited to: (i) all easements and appurtenances belonging to or inuring to the benefit of Seller and pertaining to the Property and (ii) all right, title and interest of Seller in and to any street or road abutting the Property and all rights-of- ways, utilities and all strips, gaps and gores of land adjacent, abutting or relating to the Property. Property, as defined in the First Amendment shall include, in addition to the property described in the Original Agreement, a 0.253 acre (+/-) portion of Lot 2 (the "Additional Property"). The Property being sold hereunder is more fully identified on the plat attached hereto as Exhibit A, which is made a part hereof.

3. **Purchase Price.** The purchase price for the Property (the "Purchase Price") shall be Four Hundred Fifteen Thousand Dollars (\$415,000.00). At Closing, the balance of the Purchase Price, as adjusted, less the amount of the Deposit (as defined below), shall be payable to Seller, in good and sufficient funds by title company check, cashier's check, certified check or wired funds.

4. **Additional Consideration.** As additional consideration for the Additional Property, Purchaser shall at settlement pay unto the Seller the sum of Thirty Thousand Dollars (\$30,000.00) as compensation for the relocation of Department of Emergency Services Operations that will occur as a result of this transaction.

5. **Deposits and Payments.**

a. The parties acknowledge that Purchaser has paid a Fifteen Thousand Dollar (\$15,000.00) deposit (the "Initial Deposit") to Home Title Company, Inc. ("Escrow Agent").

b. If this First Amendment has not been terminated by Purchaser as provided herein, then within fifteen (15) days of Purchaser's receipt of a Section 42(m) Determination Letter (as defined herein), an additional deposit of Ten Thousand Dollars (\$10,000.00) shall be deposited by Purchaser with Escrow Agent (the "Second Deposit").

c. The Initial Deposit, the Second Deposit (when paid) and all interest accrued thereon shall be collectively known as the "Deposit". The Deposit shall be placed and held by Escrow Agent in an interest bearing account at a federally insured bank and disbursed in accordance with the further provisions of this First Amendment. The Initial

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

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.

6. Within ten (10) days of the Effective Date, Seller shall deliver to Purchaser copies (or make available for inspection and copying) of the following books, records and documents related to the Property (the "Deliveries") within Seller's possession, custody or control:

a. The most recent title report or title policy for the Property, together with copies of all documents referred to in the title report or policy.

b. Survey(s) and a current legal description.

c. Feasibility studies, market studies, and appraisals.

d. Soils reports, engineering and architectural studies and reports, and similar data and materials.

e. Any and all environmental reports and other documentation with respect to hazardous materials and/or any toxic conditions which previously existed and/or currently exist at or on the Property.

f. Record plats showing the subdivision of the Property.

g. Copies of pending and, to the extent available, threatened litigation filed or to be filed affecting the Property and/or Seller.

h. Evidence reasonably satisfactory to Purchaser that all necessary approvals and consents required for Seller to enter into this First Amendment has been obtained.

i. Copies of all mortgages and deeds of trust encumbering the Property, together with copies of any and all underlying promissory notes evidencing the debt so secured.

7. **Inspection Period.** Commencing as of the Effective Date and continuing for a period of Thirty (30) days (the "Inspection Period"), Purchaser shall have the right to enter, or cause its agents or representatives to enter, the Property for the purpose of undertaking at Purchaser's sole cost and expense such surveys, tests, test borings, inspections, investigations and economic, environmental and other studies of the Property as Purchaser may deem desirable (collectively, the "Studies"). Seller reserves the right to require Purchaser and/or any agent, contractor or consultant of Purchaser to provide to Seller a certificate of

insurance evidencing the existence of liability and other insurance coverage reasonably acceptable to Seller prior to allowing the conducting of such Studies. Purchaser, at Purchaser's sole discretion, may elect to terminate this First Amendment by written notice delivered to Seller at any time prior to the expiration of the Inspection Period (the "Termination Notice"), in which event the Deposit shall be promptly refunded and returned to Purchaser and this First Amendment shall be null and void and of no further force and effect other than the Surviving Obligations (as defined in below. In the event the Termination Notice is timely and properly given, as established by either certified mail receipts or records confirming overnight courier delivery or hand-delivery, then Escrow Agent shall have the right to rely on the Termination Notice to refund and return the Deposit to Purchaser without obtaining the further consent of Seller (which consent, nevertheless, Seller shall provide in writing to Escrow Agent upon Escrow Agent's request). In the event Purchaser does not timely provide the Termination Notice to Seller, Purchaser shall be deemed to have waived its rights to terminate this First Amendment under this Section 7.

8. **Indemnity and Restoration Obligations.** Purchaser shall (i) indemnify, defend and hold Seller harmless from and against any cost, damage, expense (including reasonable attorney's fees and all costs of litigation), liability, claim, suit, and proceeding arising out of or incident to Purchaser's entry onto the Property (the "Indemnity Obligation") and (ii) restore the Property to substantially the same condition as existed prior to undertaking such Studies (the "Restoration Obligation") to the extent of any damage caused to the Property arising out of or incident to Purchaser's entry onto the Property. The Indemnity Obligation and the Restoration Obligation (collectively, the "Surviving Obligations") shall survive any termination of this First Amendment and shall survive Closing by Purchaser on the purchase of the Property.

9. **Delivery of Studies upon Termination.** Further, in the event of such termination pursuant to the provisions of this Section, Purchaser shall provide copies of the Studies to Seller without charge (and without warranty as to the truth, accuracy or completeness of such Studies) and ownership thereof shall pass from Purchaser to Seller except to the extent that ownership and/or proprietary rights therein belong to third parties rather than to Purchaser. Upon termination of this First Amendment pursuant to this Section 9, return of the Deposit to Purchaser and delivery of the Studies to Seller in accordance with the provisions of this Section neither party shall have any further obligations hereunder.

10. **Tax Credit Allocation Contingency.** This First Amendment 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 First Amendment shall automatically terminate and thereupon the Initial Deposit referred to in Section 4.a shall be promptly refunded and returned to Purchaser and this First Amendment 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 First Amendment and thereupon the Initial Deposit referred to in Section 4.a shall be promptly refunded and returned to Purchaser and this First Amendment shall be null and void and of no further force and effect other than the Surviving Obligations set forth in this First Amendment.

11. **Contingencies.** Purchaser's obligation to close under this First Amendment is subject to the satisfaction, as determined by Purchaser in its sole and absolute discretion, of all of the following conditions (the "Contingencies"),:

a. Final Subdivision Approval. Purchaser shall have obtained final non-appealable subdivision approvals from all applicable governmental authorities necessary to adjust the property lines between Lot 1 and Lot 2 as shown on the Plat in such manner as is satisfactory to the Purchaser and the Seller (as the owner of Lot 2), it being understood by the parties that in no event shall the Property be reduced in size to less than one acre, and a revised subdivision plat consistent with such approvals shall have been recorded among the Land Records of Cecil County (the "Amended Plat").

b. Final Site Plan Approval. Purchaser shall have obtained final non-appealable approvals for the site plan from all applicable governmental authorities as necessary to develop and improve the Property in accordance with Purchaser's Intended Use ("Final Site Plan Approval").

c. Zoning Approvals. Purchaser shall have received all requisite zoning, special condition exception approvals, zoning amendments from the applicable governmental authorities as necessary to make the Property suitable for Purchaser's Intended Use.

d. Historic District Commission Approval. Purchaser shall have received all requisite approvals from the Town's Historic District Commission necessary to make the Property suitable for Purchaser's Intended Use.

e. Adequate Public Facilities. Purchaser shall have received evidence that there are adequate public facilities available for development of the Property to accommodate Purchaser's Intended Use (for example, but not in limitation, adequate schools

capacity and water and sewer allocations).

f. **Financing Commitment.** Purchaser shall have received a firm commitment for financing for acquisition, development and construction for Purchaser's Intended Use from the Federal Housing Administration and/or the Maryland Community Development Administration and/or a conventional lender under terms and conditions satisfactory to Purchaser in its sole and absolute discretion.

g. **Environmental Condition of Property.** Purchaser shall have received environmental studies and reports satisfactory to Purchaser in its sole and absolute discretion.

h. **Adequate Access to Property.** Purchaser shall have received evidence of adequate access to the Property sufficient to satisfy all applicable governmental requirements for the development and use of the Property in accordance with Purchaser's Intended Use.

In the event these Contingencies are not fully satisfied, as determined by Purchaser in its sole and absolute discretion, prior to the Outside Closing Date, Purchaser shall have the right to terminate this First Amendment by written notice to Seller, and thereupon, the Deposit and Extension Fees shall be refunded to the Purchaser and neither party shall have any further liability hereunder.

12. **Closing.** The purchase and sale contemplated by this First Amendment shall be consummated at settlement (the "Closing") within thirty (30) days of satisfaction of all Contingencies or Purchaser's waiver of any remaining Contingencies, at a date and time as may be mutually agreed upon by Seller and Purchaser, but by no later than December 31, 2013 (the "Outside Closing Date"). Closing shall take place at the offices of the title company issuing the Title Insurance Commitment referred to in Section 13.a below, or at such other location within fifty (50) miles of the Property as may be mutually agreed upon by Seller and Purchaser.

13. **Closing Charges, Prorations and Adjustments.** All recordation taxes, transfer taxes, stamp taxes, and the like payable in connection with this transaction shall be paid by Purchaser and Seller. Title examination, title insurance premiums, notary fees and such other charges incident to Closing (except charges related to the release of any existing liens on the Property) shall be paid by Purchaser. Purchaser and Seller each shall pay its own legal fees related to the preparation of this First Amendment and all documents required to close the transaction contemplated hereby. At Closing, all real estate taxes, personal property taxes, water rent, sewer charges, front foot benefit charges, any special assessments, and other similar charges affecting the Property and all utility charges, if any, shall be adjusted and prorated as of Closing. All other charges or fees customarily prorated and adjusted in similar transactions shall be adjusted at Closing. At Closing such adjustment and proration items shall be computed as of the date of Closing and the cash portion of the Purchase Price shall be adjusted to reflect such adjustment and proration items. All adjustment and proration items, to the extent they cannot be precisely determined at Closing, shall be estimated at Closing and shall

be resolved no later than thirty (30) days after Closing.

14. **Seller's Deliveries at Closing.** Seller shall deliver to Purchaser at Closing all of the following in commercially reasonable form, the delivery of which shall be a condition to Purchaser's obligation to consummate the purchase of the Property:

a. **Reaffirmation of Representations and Warranties.** A certificate that the representations and warranties set forth in this First Amendment, are true and correct, in all material respects, on and as of Closing, and that Seller has performed all covenants and First Amendments to be performed on its part prior to Closing, except to the extent Seller has previously notified Purchaser by written notice specifically identifying the nature or manner by which any such representations and/or warranties are untrue or incorrect and Purchaser has not terminated this First Amendment as provided in Section 17.i below.

b. **Deed.** A special warranty deed in recordable form which shall convey good and marketable fee simple title to the Property to Purchaser or Purchaser's designee or assign, free and clear of all liens, encumbrances, easements and restrictions of every nature and description except the Permitted Exceptions.

c. **Title Company Requirements.** The settlement statement and such closing documents and affidavits as required pursuant to this First Amendment or as otherwise reasonably requested by the title company conducting Closing.

d. **Miscellaneous.** Such other instruments as may reasonably be required to consummate the transaction contemplated by this First Amendment.

e. **Possession.** Possession of the Property shall be delivered to Purchaser at Closing.

f. **Access Easement.** The Seller shall record an access easement benefitting Larry W. Crouse and Christine K. Crouse ("Crouse"), the owners of real property commonly identified as 208 and 210 North Street, Elkton, Maryland 21921, which are identified as parcels 1331 and 1203 on tax map 310 (the "Crouse Property"), over the remaining lands of the Seller, for the limited purpose of providing Crouse and Crouse's employees, agents, successor, heirs and assigns with ingress, egress and regress to the Crouse Property from East High Street.

15. **Purchaser's Deliveries at Closing.** At Closing and contemporaneously with Seller's compliance with the provisions of Section 14, Purchaser shall deliver to Seller (the delivery of which shall be a condition to Seller's obligation to consummate the purchase of the Property):

a. **Cash Portion of Purchase Price.** Pay to Seller the cash portion of the Purchase Price, as (i) adjusted by the adjustment and proration items provided for in Section 13 and (ii) reduced by the Deposit. At Closing, the Deposit and all Extension Fees paid shall be

delivered to Seller by Escrow Agent.

b. Title Company Requirements. The settlement statement and such other closing documents and affidavits in commercially reasonable form as may be reasonably requested by the title company conducting Closing.

c. Miscellaneous. Such other instruments in commercially reasonable form as may reasonably be required to consummate the transaction contemplated by this First Amendment.

16. **Quality of Title, Title Review.** Title to the Property shall be good and marketable, free of liens and encumbrances except as otherwise permitted in this First Amendment, and insurable at standard published rates by a title insurance company holding membership in the American Land Title Association, subject to no conditions or encumbrances other than those permitted herein.

a. Title Insurance Commitment. Purchaser shall obtain a title insurance commitment from a licensed title insurance company (the "Title Insurance Commitment") and survey for the Property. Prior to expiration of the Inspection Period, Purchaser shall notify Seller in writing of any objectionable title matters set forth in such Title Insurance Commitment ("Purchaser's Title Objection Notice"). Seller may elect by written notice to Purchaser within fifteen (15) days following receipt of Purchaser's Title Objection Notice (the "Seller Title Remedy Period") (i) to remedy such objectionable title matters, in which event Seller will proceed diligently, at its expense, to remove such matters of objection or (ii) to notify Purchaser that it does not wish to remedy any such objectionable title matters, in which event, this First Amendment shall terminate and the Deposit shall be refunded and returned to Purchaser, unless Purchaser agrees, by written notice to Seller within fifteen (15) business days following receipt of Seller's notice, to waive such objectionable title matters. Those matters of title to which Purchaser does not object are hereinafter referred to as the "Permitted Exceptions".

b. Title Defects. Notwithstanding anything contained herein to the contrary, "Permitted Exceptions" shall not include (i) any objectionable title matter which Seller has elected to remedy, (ii) mortgages, deeds of trust, judgments and other monetary liens or encumbrances creating liens on the Property (all of which Seller shall satisfy and release of record at or prior to Closing), (iii) any unrecorded easements or encumbrances affecting all or any portion of the Property not expressly disclosed in writing to Purchaser, not visible on the Property or not otherwise noted on any of the Deliveries, and (iv) any matters of record placed against the Property not otherwise contemplated by this First Amendment without Purchaser's prior written consent after the date this First Amendment (hereinafter the "Title Defects"). In the event Purchaser shall ascertain on or before Closing that title to the Property is subject to Title Defects then, and in such event, Seller, at Seller's expense, shall take all such action as may be required to remove all such Title Defects. If, notwithstanding the reasonable efforts of Seller, Seller shall be unable to remedy all Title Defects upon or before Closing (which

Closing may be extended, at Purchaser's sole option, for up to ninety (90) days to permit remedying of Title Defects), Purchaser may, at its sole option, either (i) declare this First Amendment terminated, obtain the refund and return of the Deposit and all Extension Fees paid and hold Seller liable for any costs, expenses, losses or damages (including attorneys' fees) incurred by Purchaser arising out of Title Defects resulting from, or caused by, any action, inaction or omission of Seller not exceeding, in the aggregate, Fifty Thousand Dollars (\$50,000.00) or (ii) waive such Title Defects and proceed with Closing without any reduction in the Purchase Price.

c. Closing Affidavits. At Closing, Seller will execute such affidavits and/or indemnity First Amendments (including but not limited to a standard owner's affidavit and "gap indemnity First Amendment") that Purchaser's title insurance company may reasonably require in connection with the issuance of its title policy to Purchaser consistent with the provisions of this Section. From and after the Effective Date, Seller covenants and agrees to permit no liens, easements, restrictions, encumbrances or rights affecting the Property to be placed against the Property nor shall Seller hereafter take any other action or cause any omission, either directly or indirectly, which would materially and adversely affect title to the Property, unless approved and agreed to in writing by Purchaser.

17. **Seller's Representations and Warranties.** In order to induce Purchaser to enter into this First Amendment and to purchase the Property, and in addition to the warranties and representations contained elsewhere in this First Amendment, Seller makes the following representations, warranties and covenants, each of which is material and is relied upon by Purchaser:

a. Seller's Authority. Seller, under the laws of the State of Maryland, has the full right, authority and power to enter into this First Amendment and to consummate the transaction provided for herein.

b. No Defaults or Violations Caused by Transaction. To the best of Seller's knowledge, neither the execution of this First Amendment nor the consummation of the transactions contemplated hereby will: (i) conflict with, or result in a breach of, the terms, conditions, or provisions of, or constitute a default under, any First Amendment or instrument to which Seller is a party; (ii) violate any restriction to which Seller is subject; or (iii) constitute a violation of any applicable code, resolution, law, statute, regulation, ordinance, rule, judgment, decree, or order.

c. Title. Seller is the sole owner of, and has good and marketable title to the Property free and clear of all judgments, liens encumbrances, claims and demands, other than (i) liens which will be satisfied at Closing and (ii) the Permitted Encumbrances.

d. Litigation. There is no litigation or proceeding of any type pending, or to the best of Seller's knowledge, threatened against or relating to the Property, Seller and/or Seller's ability to sell the Property. Seller knows of no reasonable grounds or any basis for any such action relative to the Property and/or Seller. Seller shall give Purchaser prompt notice

of any such litigation instituted prior to Closing.

e. Condemnation Proceedings. There are no condemnation or eminent domain proceedings pending or contemplated against the Property or any part thereof and Seller has received no notice, oral or written, of the desire of any public authority or other entity to take or use the Property or any part thereof.

f. No Encumbrance during Term of First Amendment. Seller has not and will not, while this First Amendment is in effect, enter into any other option or contract-of-sale or execute any deeds, easements, or rights-of-way, mortgages, deeds of trust or other First Amendment affecting the Property or Seller's interest therein or otherwise convey or encumber the Property or Seller's interest therein.

g. Environmental. Except as discovered as the result of Buyer's due diligence related to this First Amendment, to the best of Seller's knowledge the Property is free of all contamination, including, without limitation, (i) any "hazardous waste," "underground storage tanks," "petroleum," "regulated substance," or "used oil," as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901, et seq.), as amended, or by any regulations promulgated; (ii) any "hazardous substance", as defined by the Comprehensive Environmental Response, Compensation and Liabilities Act of 1980 (42 U.S.C. §9601, et seq.), as amended, or by any regulations promulgated thereunder (including, but not limited to, asbestos and radon); (iii) any "oil" or other "hazardous substances" as defined by the Oil and Hazardous Substances Control Act of 1976; (iv) any substance the presence of which on, in, or under the Property is prohibited or regulated by any law similar to those set forth above including without limitation, asbestos, flammable substances, explosives, radioactive materials, PCB 's, pollutants, contaminates, or other toxic substances; and (v) any other substance which by law, regulation, ordinance, or guidance (whether published or unpublished) requires special handling governing use, collection, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of such materials. Further, as of the Effective Date and as of the date of Closing: (vi) the Property does not appear on any state or federal CERCLA (Comprehensive Environmental Responsibility, Compensation and Liability Act), superfund or other similar lists; (vii) no part of the Property is and to the best of Seller's knowledge of the Property has ever been used as a sanitary landfill, waste dumpsite, or for the treatment, storage, or disposal of hazardous waste as defined in the Resource Conservation Recovery Act; (viii) no notice of violation or other written communication has been received by Seller from the United States Environmental Protection Agency or any other federal, state or local public, governmental, or quasi-governmental agency or authority, any tenant, adjacent landowner or other party alleging or suggesting an environmental law violation on the Property; (ix) either Seller nor any of Seller's employees, agents, tenants, licensees, or invitees have placed or permitted the placement of any hazardous or toxic substances, wastes, or material in, on, or over the Property; (x) there are no underground storage tanks on the Property and (xi) the Property is not subject to any federal, state, or local lien (including any "Superfund" lien), proceeding, claim, liability, or action, or the threat or likelihood thereof, relating to the cleanup, removal or remediation of any such hazardous substance from the Property. Seller has received no notice, request or information from, alleging that the Property is

in violation of any applicable environmental laws or contains any hazardous materials referenced hereinabove or otherwise.

h. Deliveries. The Deliveries to be provided under Section 5 above shall be true, correct and complete, to the best of Seller's knowledge, in all material respects. Seller shall update and supplement such Deliveries from time to time during the term of this First Amendment as necessary to keep the Deliveries true, correct and complete in all material respects.

i. Events Prior to Closing and Other Information. Seller shall promptly notify Purchaser, in writing, of any event or condition known to Seller which occurs prior to Closing hereunder, which, to the best of Seller's knowledge, causes a material misrepresentation or a material breach of the above representations or warranties. Within thirty (30) days of receipt of such notice, Purchaser shall have the right to terminate this First Amendment by written notice to Seller and, in the event such material misrepresentation or material breach occurs for any reason, Purchaser shall have a right to receive a refund of the Deposit and all paid Extension Fees, whereupon this First Amendment shall be null and void and of no further effect except for the survival of the Surviving Obligations.

j. The representations and warranties of Seller made in this First Amendment shall be true and correct when made and also as of the date of Closing.

18. **Default.**

a. Default by Purchaser. Purchaser and Seller each acknowledge that it would be difficult to ascertain the actual damages which would be suffered by Seller if Purchaser defaults in consummating the purchase and sale contemplated by this First Amendment. Accordingly, if all conditions precedent to Purchaser's obligation to consummate the transactions contemplated by this First Amendment have been satisfied or waived, and Purchaser defaults under the provisions of this First Amendment, then Seller's sole remedy shall be to receive and retain the Deposit and all paid Extension Fees as liquidated damages. Upon payment to Seller of the Deposit and all Extension Fees paid, neither party to this First Amendment shall have any further liability to the other and this First Amendment shall be and become null and void and of no further force and effect, either at law or in equity, excepting only the Surviving Obligations. Except as provided in this Section, Seller acknowledges and agrees that Seller shall have no right of damages of any nature whatsoever against Purchaser arising out of a default in Purchaser's obligation to close hereunder.

b. Default by Seller. If all conditions and other events precedent to Seller's obligations to consummate the transactions contemplated by this First Amendment have been satisfied or waived and Seller defaults under the provisions of this First Amendment, then Purchaser shall have the following remedies from which to elect: to (i) receive a refund of the Deposit and all Extension Fees paid and thereupon this First Amendment shall terminate and neither party shall have any further right or liability

hereunder excepting only the Surviving Obligations, (ii) seek specific performance of this First Amendment or (iii) seek any other remedy available against Seller at law or in equity.

c. Notice and Cure of Default. No act or omission or other event that may constitute a default or breach under the term of this First Amendment shall be deemed to be a breach or default until written notice specifying such act, omission, or event has been given to the party believed to be in default (the "defaulting party") by the other party (the "non-defaulting party") and the defaulting party fails to cure such default within ten (10) days of receipt of such notice.

19. **Moratorium.** If, prior to Closing, any applicable governmental authority imposes a moratorium on any necessary permits, utilities, or approvals for all or any part of the Property or a moratorium on development activities with respect to all or part of the Property, Purchaser shall have the right to either: (i) extend the date of Closing by one day for each day the moratorium is in effect; or (ii) terminate this First Amendment, with the Deposit and all Extension Fees paid being refunded and returned to Purchaser, and neither party shall have any further liability hereunder other than the Surviving Obligation set forth in this First Amendment. Notwithstanding this, if the moratorium is in effect for more than twelve (12) months, either party may terminate this First Amendment by written notice to the other and thereupon the Deposit and all Extension Fees paid shall be refunded and returned to Purchaser, and neither party shall have any further liability hereunder other than Surviving Obligations set forth herein.

20. **Condemnation and Risk of Loss.**

a. Condemnation. In the event of condemnation or receipt of notice of condemnation or taking of the Property or any portion thereof by governmental authority prior to the date of Closing, then, provided that the estimated value of the portion of the Property which is the subject thereof is in excess of Twenty-Five Thousand Dollars (\$25,000.00), Purchaser, at its option, shall have the right to terminate this First Amendment, and the Deposit and all Extension Fees paid shall thereupon be refunded to Purchaser, at which time all parties shall thereupon be relieved of all rights and responsibilities in this First Amendment, at law and in equity. If the estimated value of the portion of the Property which is the subject thereof is Twenty-Five Thousand Dollars (\$25,000.00) or less, then Closing hereunder shall be consummated as herein provided, without reduction of the Purchase Price, but all condemnation awards or payments not previously applied to restoration of the Property or held by the Lender under the Loans on account thereof shall be paid or assigned to Purchaser at Closing. In no event shall Seller be under any duty to Purchaser to restore the Property following a condemnation.

b. Risk of Loss. The risk of loss or damage to the Property prior to the date of Closing by fire, other casualty, act of God, or any other event shall be Seller's liability. If, prior to Closing, the Property is damaged by fire, other casualty, act of God or other event, then, provided the reasonably estimated cost of the repair of the damages is in excess of Fifty Thousand Dollars (\$50,000.00), Purchaser, at its option, shall have the right to terminate this First Amendment, and the Deposit and all Extension Fees paid shall thereupon

be refunded and returned to Purchaser, at which time all parties shall be relieved of all rights and responsibilities in the First Amendment, at law and in equity. If the estimated cost of the repair of the damage is Fifty Thousand Dollars (\$50,000.00) or less, then Closing hereunder shall be consummated as herein provided, without reduction of the Purchase Price, and, unless the damage shall have been repaired by Seller prior to Closing, all insurance proceeds payable as a result of such damage or casualty, if any, shall be paid or assigned to Purchaser at Closing.

21. **FIRPTA.** Section 1445 of the United States Internal Revenue Code of 1986 provides that a transferee (Purchaser) of real property located in the United States must withhold federal income taxes from the payment of the purchase price upon certain conditions of the transferor (Seller) is a foreign person. Seller represents that Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust of 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. **Notices.** All requests for consents, notices or other communications (herein collectively a "notice" or "notices") necessary or appropriate under the terms of this First Amendment shall be in writing and sent by Federal Express or similar overnight courier with receipted service, or . mailed, first class postage prepaid, certified or registered United States Mail, return receipt requested, or by hand-delivery to the party whom such notice is being given. A notice given by hand-delivery shall be deemed given on the date of deliver, a notice sent by overnight delivery service as aforesaid shall be deemed to have been given and received as of the first business day which is not a holiday following the date of its delivery to the delivery service and a notice mailed as aforesaid shall be deemed to have been given and received on the date of receipt three (3) days after mailing (or earlier as stated in the return receipt). All notices shall be sent or mailed addressed as follows:

a. To Seller at:

Cecil County, Maryland
200 Chesapeake Boulevard
Elkton, Maryland 21921
Attn: Alfred C. Wein, Jr., Director of Administration

With a copy to:

Jason L. Allison, Esquire
County Attorney
200 Chesapeake Boulevard
Elkton, Maryland 21921

b. To Purchaser at:

Home Partnership of Cecil County, Inc.

626 Towne Center Drive, Suite 301
Joppatowne, Maryland 21085
Attn: Frank R. Hodgetts, President

With a copy to:

Dennis J. Hoover, Esquire
Rosen Hoover, P.A.
One Charles Center
100 North Charles Street, Suite 1010
Baltimore, MD 21201

c. To Escrow Agent at:

Home Title Company, Inc.
100 North Charles Street, Suite 1020
Baltimore, MD 21201
ATTN: Laura I. Shanks, Vice President

Each party shall have the right to designate a different address or addressee(s) for the receipt of notices other than that set forth above, provided that the party's new address or addressee(s) is specified in a written notice given to the other party at least five (5) business days prior to its effective date and such notice shall otherwise meet the requirements of this Section.

23. **Broker's Commissions.** Seller and Purchaser each represent and warrant to the other that it has not used the services of any real estate broker, agent or finder in connection with this First Amendment and each agrees to indemnify and hold the other harmless from all claims of any broker, agent or finder arising by reason of the indemnifying party's breach of its representation and warranty.

24. **Escrow Agent.** Escrow Agent shall hold the Deposit in accordance with the terms and provisions of this First Amendment, subject to the following:

a. **Duties.** Escrow Agent shall hold and disburse the Deposit in accordance with the terms and provisions of this First Amendment and no implied duties or obligations shall be read into this First Amendment against Escrow Agent. By joining herein, Escrow Agent undertakes to perform only the duties and obligations imposed upon Escrow Agent under the terms of this First Amendment; Escrow Agent expressly does not undertake to perform any of the other covenants, terms and provisions incumbent upon Seller and Purchaser hereunder. Purchaser and Seller hereby agree and acknowledge that Escrow Agent assumes no liability in connection herewith except for its gross negligence or willful misconduct; that Escrow Agent shall never be responsible for the validity, correctness, or genuineness of any document or notice referred to under this First Amendment, nor for any default, error, negligence or other misfeasance or malfeasance on the part of the financial institution selected by Escrow Agent; and

that in the event of any dispute under this First Amendment, Escrow Agent may seek advice from its own counsel and shall be fully protected in action taken by it in good faith in accordance with the opinion of such counsel. The parties shall share equally the cost, if any, incurred by Escrow Agent in performing its duties hereunder.

b. Reliance. Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes, and any statement or assertion contained in such writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instrument in connection with the provisions of this First Amendment has been duly authorized to do so. Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited in escrow, nor as to the identity, authority, or right of any person executing the same, and Escrow Agent's duties under this First Amendment shall be limited to those provided in this First Amendment.

c. Indemnification. Unless Escrow Agent discharges any of its duties under this First Amendment in a grossly negligent manner or is guilty of willful misconduct with regard to its duties under this First Amendment, Seller and Purchaser, jointly and severally, shall indemnify Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or other expenses, fees, or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this First Amendment; and in such connection Seller and Purchaser, jointly and severally, shall indemnify Escrow Agent against any and all expenses including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim in such capacity.

d. Disputes. If the parties (including Escrow Agent) shall be in disagreement about the interpretation of this First Amendment, or about their respective rights and obligations, or the propriety of any action contemplated by Escrow Agent, or the application of the Deposit, Escrow Agent shall hold the Deposit until the receipt of written instructions from both Purchaser and Seller or upon receipt of a final order of a court of competent jurisdiction. In addition, in any such event, Escrow Agent may, but shall not be required to, file an action in interpleader to resolve the disagreement. Seller and Purchaser, jointly and severally, shall indemnify Escrow Agent for all costs and reasonable attorneys' fees in its capacity as Escrow Agent in connection with any such interpleader action and Escrow Agent shall be fully protected in suspending all or part of its activities under this First Amendment until a final judgment in the interpleader action is received.

e. Survival. The terms and conditions set forth in this Section shall survive Closing or earlier termination of this First Amendment.

25. **Miscellaneous.**

a. Entire Agreement. This First Amendment, including all exhibits

attached hereto, contains the entire agreement among the parties regarding the subject matter of this First Amendment. There are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, expressed or implied, among them, relating to this subject matter, other than as herein set forth. This First Amendment is intended by the parties to be an integration of all prior or contemporaneous promises, agreements, conditions, negotiations and undertakings between them. This First Amendment may not be modified orally or in any other manner than by an agreement in writing signed by all parties or their respective successors in interest.

b. **Binding Effect.** This First Amendment shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

c. **Waiver: Modification.** Failure by Purchaser or Seller to insist upon or enforce any of their respective rights hereunder shall not constitute a waiver thereof, except as provided for herein.

d. **Right to Waive Conditions.** Purchaser reserves the right to waive any of the terms and conditions of this First Amendment for its benefit, and to purchase the Property in accordance with the terms and conditions of this First Amendment which have not been so waived.

e. **Governing Law.** This First Amendment shall be construed, interpreted and enforced in accordance with the laws of the State of Maryland, without regard to principles of conflict of laws.

f. **Construction.** The parties acknowledge that each party and its counsel have reviewed this First Amendment, and the parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this First Amendment or any amendments or exhibits hereto.

g. **Section Headings.** The Section headings as herein used are for convenience or reference only and shall not be deemed to vary the content of this First Amendment or the covenants, First Amendments, representations, and warranties herein set forth or limit the provisions or scope of any Section.

h. **Counterparts.** This First Amendment may be executed simultaneously in two counterparts; each of which shall be deemed an original and which together shall constitute one and the same instrument.

i. **Time of Essence.** Time shall be of the essence with respect to this First Amendment.

j. **Effective Date.** The "Effective Date" of this First Amendment shall be the date on which the last of the parties hereto has signed this First Amendment.

k. Exculpation. The obligations, representations, warranties, covenants, undertakings, and liabilities of the parties hereto are made for the purpose of binding the named parties only, and no officer, director, partner (general or limited), trustee, shareholder, beneficial owner, agent or employee of either Purchaser or Seller shall have any liability or obligation hereunder whatsoever.

l. Recordation. Neither this First Amendment nor any memorandum or other summary of this First Amendment shall be placed of public record under any circumstances except with the prior written consent of Seller and Purchaser.

m. Waiver of Jury Trial. PURCHASER AND SELLER HEREBY IRREVOCABLY WAIVE, TO THE MAXIMUM EXTENT PERMITTED BYLAW, ANY RIGHT IT MAY NOW HAVE OR HEREAFTER HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY AT ANYTIMEARISINGOUTOF, UNDER ORIN CONNECTION WITH THIS FIRST AMENDMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR AS SOCIATED HEREWITH.

n. Confidentiality. Non-disclosure and Return of Documents. Prior to acquiring the Property, Purchaser shall use and disclose information it obtains about the Property solely in connection with its purchase evaluation. Seller and Purchaser shall each maintain as confidential any and all materials obtained about the other, about the terms and conditions of this First Amendment, and, in the case of Purchaser, concerning the Property, and shall not disclose any such information to any third party except (i) to such party's respective members, employees, agents and permitted assignees, consultants, engineers and attorneys; (ii) as required by applicable law or any court of competent jurisdiction; and (iii) for any information which is otherwise a matter of public record or available from any non-confidential source. Following any termination of this First Amendment for any cause whatsoever, Purchaser shall (i) return to Seller all documents, information, data and other instruments, as well as all copies thereof, delivered by or on behalf of Seller to Purchaser in connection with the Property, and (ii) deliver to Seller copies of the Studies in accordance with this First Amendment.

o. Assignment. Purchaser may assign this First Amendment to any entity in which Purchaser, directly or indirectly, is the managing member, general partner, majority or controlling interest holder. All other assignments by Purchaser shall require the prior written consent of Seller, which shall not be unreasonably withheld.

p. Survival. All representations, warranties, covenants, First Amendments and indemnifications set forth in or made pursuant to this First Amendment shall remain operative and shall survive Closing for a period of one (1) year and shall not be merged in the Deed or any other closing document.

q. Seller's Cooperation and Further Assurances. At all times prior to Closing, upon request by Purchaser and without further consideration, Seller shall cooperate with Purchaser to facilitate Purchaser's improvement and development of the Property for the

Purchaser's Intended Use. Seller's cooperation shall include but not be limited to, prompt joinder in the execution of plats, plans, maps, site plans, First Amendments, permits and license applications and other like instruments, documents or First Amendments, and participating in such administrative and/or judicial proceedings as, in Purchaser's reasonable discretion, are necessary or desirable for the development and improvement of the Property in accordance with Purchaser's Intended Use. Seller agrees to do any and all further reasonable acts and to execute, acknowledge, seal and deliver any and all other and further reasonable instruments and documents (not otherwise inconsistent herewith) in order to complete Closing hereunder and to assist Purchaser in obtaining Final Site Plan Approval, including permitting Purchaser to communicate with all necessary governmental agencies having jurisdiction over the Property. Seller's cooperation and participation in accordance with the preceding shall not impose any cost upon Seller and shall not impose upon Seller any responsibility to perform improvements or post any security in connection with Purchaser's improvement and development of the Property. After Closing, Seller and/or Purchaser, as the case may be, shall execute and deliver to the other any additional documents and instruments which the requesting party may reasonably determine are necessary to further assure the consummation of the purchase and sale contemplated herein, without additional expense to party of whom such documentation(s) and/or instrument(s) is requested.

r. Purchaser's Obligations Regarding Contingencies and Demolition of 218 North Street. Purchaser shall be responsible for diligently pursuing all requisite governmental approvals necessary to satisfy the Contingencies set forth in Section 11 above at Purchaser's sole cost and expense. After Closing, Purchaser shall, at its sole cost and expense, and in a reasonable time period consistent with Purchaser's development plans for the Property: (1) obtain all necessary permits and approvals to demolish and remove the white block building located at 218 North Street, Elkton and (2) demolish and remove the building, including all rubble and debris, and re-grade (as necessary) the affected area. Seller shall grant access to Purchaser over, across and through its property as required and necessary for Purchaser to meet its obligations under the preceding sentence.

IN WITNESS WHEREOF, each party hereto has executed this First Amendment under seal, the day and year first above written.

WITNESS:

Alfred C. Wein, Jr.
Director of Administration

SELLER:
CECIL COUNTY, MARYLAND

By: _____
Name: Tari Moore
Title: County Executive

Date: _____

APPROVED FOR LEGAL FORM AND SUFFICIENCY:

By: _____
Jason L. Allison, Esquire
County Attorney

WITNESS:

**PURCHASER:
HOME PARTNERSHIP OF CECIL
COUNTY, INC.**

By: _____
Frank R. Hodgetts, President

Date: _____

G:\wpdata\3364.001\First First Amendment to Land Purchase First Amendment 04/30/13

EXHIBIT A

Additional Property

EXHIBIT B

Plans and Specifications