

RESOLUTION NO. 2769

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND, FOR THE PURPOSE OF ACCEPTING THE SUBMISSION OF RFP 04-16 BID FROM JBG REALTY FOR THE SALE OF SURPLUS REAL PROPERTY AT 432-434 EAST CHURCH STREET.

WHEREAS, the Mayor and City Council have determined that there is surplus City-owned property that should be redeveloped, and that there is a strong public need for increased infill development in the City; and

WHEREAS, the City of Salisbury declared 432-434 East Church Street, Salisbury, MD surplus property on May 11, 2015; and

WHEREAS, the City of Salisbury, pursuant to SC 16-8 et seq. and Chapter 2.36 of the City Code, has the right to offer at public sale surplus property and make awards in the best interest of the City; and

WHEREAS, City-owned surplus or unused property should be developed, not only in consideration of the highest bid price but in consideration of the type of development proposed, and such development should require a commitment from the purchaser to develop such property in a manner which will raise the City's tax base and be in the best interest of the citizens of the City of Salisbury; and

WHEREAS, the City has determined that it is in the best interest of the citizens of the City to sell the City's surplus property known as 432-434 East Church Street, Salisbury, MD; and

WHEREAS, the City of Salisbury advertised for proposals for the purchase of and redevelopment of 432-434 East Church Street three times from September 16, 2015 to September 18, 2015; and

WHEREAS, the City of Salisbury is in agreement to sell 432-434 East Church Street, Salisbury, MD for \$51,000 to JBG Realty following the execution of a Disposition Contract with terms acceptable to the City on or before September 21, 2017, as finally approved by the City Solicitor.

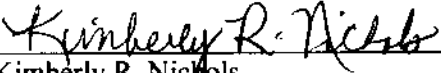
NOW, THEREFORE BE IT RESOLVED, by the Council of the City of Salisbury, in regular session on the 28th day of August, 2017, that the proposal submitted by JBG Realty dated January 5, 2016, for RFP 04-16 Bid Sale of Surplus Real Property is selected as the winning proposal for Parcel #1 of the RFP, on the condition that the parties, on or before September 21, 2017, execute a Disposition Contract with such terms and conditions as may be approved by the City and the City Solicitor; the purchase price shall be \$51,000.

BE IT FURTHER ENACTED AND RESOLVED that this Resolution does not create a Disposition Contract, and that the award shall be conditional upon the successful execution of a Disposition Contract.

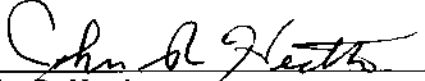
AND BE IT FURTHER ENACTED AND RESOLVED that this Resolution will take effect from and after its passage.

THE ABOVE RESOLUTION was introduced and read and passed at the regular meeting of the Council of the City of Salisbury held on this 28th day of August, 2017, and is to become effective immediately upon adoption.

ATTEST:

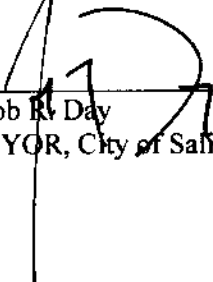


Kimberly R. Nichols
CITY CLERK



John R. Heath
PRÉSIDENT, City Council

APPROVED by me this 29 day of AUGUST, 2017



Jacob R. Day
MAYOR, City of Salisbury



City of
Salisbury
Jacob R. Day, Mayor

To: Andy Kitrow
From: Jennifer Miller
Director of Procurement
Date: September 24, 2017
Subject: RFP 04-16 Sale of Surplus Property – 432-434 East Church Street

Attached please find the Resolution and Land Disposition Contract for the sale of 432-434 East Church Street ("The Bricks") to Jean St. Val of JBG Realty. The City Council approved award of contract RFP 04-16 to JBG Realty, Inc, in February 2016. Upon Council approval, the Land Disposition Contract is to be executed by Mayor Jacob R. Day on behalf of the City.

Unless there are additional questions, would you please advance this memorandum, Resolution and LDC to the City Council for approval at the legislative session on August 28, 2017?

Thank you.

Attachments (2)

cc Jacob R. Day
Julia Glanz

Department of Internal Services - Procurement Division
125 N. Division St., Rm104 Salisbury, MD 21801
410 548 3190 (fax) 410 548 3192
www.salisbury.md

Disposition Contract

THIS DISPOSITION CONTRACT is made this 28th day of AUGUST, 2017, between the City of Salisbury, Maryland, ("Seller"), and JBG Realty, Inc., a Maryland company located in Fruitland, Wicomico County, Maryland, ("Buyer").

The Seller does hereby bargain and sell unto Buyer, and Buyer does hereby purchase from Seller the following described property, situated in Salisbury, Wicomico County, State of Maryland:

A. All that land, together with the building and all appurtenances thereto belonging which are located at the intersection of East Church Street and East Isabella Street, Salisbury, Maryland, being more particularly described as all that lot or parcel of land designated and located at 432-434 East Church Street and 502 East Isabella Street, shown on Maryland tax map 0108, grid 0007, parcels 1018 and 1019, an accurate legal description of which is to be provided to the Seller by the Buyer; the Land and the Building, together with all appliances and fixtures, not specifically excluded by the City in Exhibit "A" attached hereto, located in the Building are hereinafter collectively referred to as the "Property."

B. Buyer hereby agrees that Seller will reserve and retain all appropriate easements for sidewalks and for installation and maintenance of utilities and roadways.

1. PURCHASE PRICE AND METHOD OF PAYMENT: The purchase price shall be FIFTY-ONE THOUSAND DOLLARS - - - - - (\$ 51,000.00) of which ONE THOUSAND FIVE HUNDRED DOLLARS - - - - - (\$ 1,500.00) shall be paid at the time of the signing of this contract. The deposit shall be held in a non-interest bearing escrow account of the City Solicitor with the deposit to be applied to the purchase price at settlement.

2. TO BE PAID IN THE FOLLOWING MANNER:

Buyer shall pay unto Seller cash at the time of settlement.

3. REPRESENTATIONS OF SELLER.

The Seller makes the following representations and warranties to the Buyer:

A. The Seller is the fee simple owner of the property described above, the outlines of which are to be formally established at the expense of Buyer who will prepare a survey, at its expense, to be used in the preparation of the deed from Seller to Buyer.

B. Seller hereby certifies to Buyer that there is no tenant with any right to possession of the property.

C. At the Settlement, there will be no contracts affecting the Property or any part thereof, no contracts or agreements for the management of the Property, or any part thereof, and there will be no commission due or owing in connection with any lease or on account of any tenancy or sale of the Property.

D. The Seller has no knowledge of any actions, suits or proceedings which have been

instituted or threatened against or affecting the Property, at law or in equity, before any federal, state or municipal governmental commission, board, bureau, agency or instrumentality which will materially adversely affect the value, occupancy, use or operation of the Property. The Seller will give the Buyer prompt written notice of any such action, suit or proceeding arising subsequent to the date hereof and prior to the Settlement Date to the extent Seller acquires knowledge thereof.

E. The Seller has duly and validly authorized, executed and delivered this Agreement, and neither the execution and delivery of this Agreement nor its performance are restricted by or violate any legal, contractual or other obligation of the Seller.

F. There are no assessments for public improvements against the Property which remain unpaid, including, without limitation, those for construction of sewer or water lines or mains, streets, sidewalks and/or curbs.

G. To the best of the Seller's knowledge, all improvements on the Property lie within the boundaries of the property, but notwithstanding this assertion, Buyer purchases this Property, as is, and, prior to settlement will, at its expense, satisfy itself of the legal boundaries of the Property and will provide a proposed plat and proposed legal description to the City Solicitor prior to settlement for his approval.

4. DELIVERY OF CERTAIN MATERIALS TO SELLER AND BUYER.

Promptly, but in no event later than Sixty (60) days following the date hereof:

A. Buyer shall deliver to the City Solicitor its proposed survey and legal description of the property to be conveyed pursuant to this Agreement.

B. Seller shall deliver to Buyer a detailed list of all fixtures and personal property contained in or about the Property which are to be retained by the Seller, along with a proposed schedule for the removal of said personalty from the Property.

5. ADDITIONAL UNDERTAKINGS.

A. Seller shall give to the Buyer and its agents, engineers, and other representatives full access to the Property during normal business hours, upon reasonable notice, during the period prior to the Settlement Date. During such period, the Seller shall furnish to Buyer all information concerning the Property which the Buyer may reasonably request. Buyer may, at its sole expense, make such engineering and other studies of the Property prior to the Settlement Date as it may deem necessary.

B. The Seller agrees that, from the date of this Agreement to the Settlement Date, it will:

(i) Operate the Property only in the ordinary course and usual manner and that it will not enter into any new lease or enter into any agreement that will encumber the Property.

(ii) Not become a party to any service contract or similar agreement with respect to or affecting the Property without the prior written consent of the Buyer.

(iii) Maintain, at its expense, all existing fire and extended coverage policies covering the Property. The herein described Property is to be held at the risk of Seller until legal title has passed. Buyer's remedy in the event of loss is limited to return of the deposit.

C. All utilities shall be adjusted and apportioned as of the Settlement Date.

D. All public or governmental charges or assessments against the premises, which are or may be payable on an annual basis (including all assessments, liens or encumbrances for sewer, water, drainage or other public improvements completed or commenced on or prior to the date hereof, or subsequent thereto, shall be adjusted and apportioned as of the Settlement Date and shall be assumed and paid thereafter by the Buyer, whether assessments have been levied or not as of the Settlement Date.

E. The cost of all State and local recordation and transfer taxes shall be paid by the Buyer.

F. The Buyer shall have a 30 day Due Diligence period following the execution of this Contract to conduct feasibility and environmental studies for the proposal. If the study is not satisfactory to the Buyer, at the Buyer's full discretion, then and in such event, the Buyer shall have the right within the 30 day period to terminate this contract and forthwith receive a full refund of the Deposit paid hereunder.

G. The results and findings of all studies and/or assessments performed as a result of this agreement during the Due Diligence period will be shared with Seller and Buyer and remain confidential between the parties.

6. BUYER PURCHASES THE PROPERTY "AS IS."

A. The obligation of the Buyer to purchase the Property pursuant to the provisions of this Agreement is not contingent upon the condition of the Property or any inspection of the property which has or will be conducted by the Buyer after to the Due Diligence period and prior to the Settlement Date. During the Due Diligence period, Buyer may conduct a thorough inspection of all aspects, and potential hazards present on the Property and agree to accept the Property in its current condition or terminate pursuant to Section 5.F. above. Seller has made no warranties or representations to Buyer regarding the condition of the said property and Buyer has not relied upon any statements regarding the condition of the Property made by Seller, its agents or contractors. Buyer agrees that the Seller shall not be obligated to perform any environmental assessment and Seller will not be held liable and assumes no responsibility for any remedies, costs or procedures.

B. Buyer may perform any reasonably required preconstruction engineering tests and environmental assessments. If these tests reveal any environmental or other defects, Buyer shall have no recourse against Seller and Buyer must proceed under the terms of this Disposition Contract.

C. Buyer shall indemnify, defend and save harmless Seller from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorneys' fees, in any way connected with any injury to any person or damage to any property or any loss to Seller occasioned in any way by hazardous substances originating on the property by the negligent or

intentional activities of Buyer before, during or after Buyer's acquisition of the property.

D. This indemnity specifically includes the obligation of Buyer to perform any remedial or other activities required or ordered by any properly empowered government official, or otherwise reasonably necessary to avoid injury or liability to any person or to prevent the spread of pollution, originating thereon (hereinafter the "remedial work"). Buyer shall perform all such work in its own name in accordance with applicable law, as herein defined.

E. Whenever Seller has incurred costs described in this section, Buyer shall, within ten (10) days of receipt of notice thereof, reimburse Seller for all such expenses.

7. SETTLEMENT ATTORNEY/TITLE COMPANY:

Buyer shall have the option of selecting its own Title Insurance company or Title Attorney.

8. SETTLEMENT:

Settlement shall be held in Salisbury, Wicomico County, Maryland, on or before 21st day of September, 2017 (the "Settlement Date"). At Settlement, the Seller shall execute:

A. A deed to the Property, containing a covenant of special warranty and further assurances, which shall convey to Buyer a good and merchantable fee simple title to the Property subject, however, to zoning and occupancy restrictions of public record which are generally applicable to properties in the immediate neighborhood or the subdivision in which the Property is located, and publically recorded easements for public utilities and any other easements which may be observed by inspection of the Property. The deed shall be recorded at the expense of the Buyer.

B. Any other documentation reasonably required to consummate the Buyer's purchase of the Property.

9. POSSESSION: Possession of the Property shall be given to Buyer at the time of Settlement.

A. At the time of settlement or occupancy (whichever occurs first) Seller will leave the premises free and clear of trash and debris and broom clean. Seller makes no warranties with regard to the condition of the electrical, plumbing, heating, air conditioning and any other mechanical systems and related equipment included in this Agreement, as Buyer has agreed to accept the property as is. SELLER WILL DELIVER THE PREMISES IN SUBSTANTIALLY THE SAME PHYSICAL CONDITION AS OF THE DATE OF RATIFICATION OF THIS CONTRACT AND BUYER, AT ITS EXPENSE, HAS THE PRIVILEGE OF INSPECTION OF ALL OF THE PREMISES PRIOR TO THE SETTLEMENT OR OCCUPANCY (WHICHEVER OCCURS FIRST) TO VERIFY THE SAME. Except as expressly contained herein no other warranties have been made by the Seller.

10. A. BUYERS' REMEDIES. In the event the Seller should be in default of any obligation on its part to be performed hereunder, or in the event any representation or warranty of Seller should be incorrect, or in the event any condition or obligation referred to in this Agreement shall not be satisfied within the time period specified, then, as its sole recourse pursuant to this

Agreement the Buyer shall be entitled to cancel this Agreement and to receive the immediate return of the deposit referred to in this Agreement. Notice of such default shall be given, in writing, by the injured party within thirty (30) days after the default has occurred. If the party defaulting on this Agreement fails or refuses to release monies, the holder of the deposit may deliver the deposit by way of interpleader to the appropriate Court to determine ownership thereof and have all costs and expenses in connection therewith deducted from said deposit.

B. SELLER'S REMEDIES. In the event the Buyer should be in default of any obligation to be performed hereunder prior to settlement, Seller shall be entitled to the deposit as liquidated damages. This limitation shall not, however, apply to the indemnity provision of the Agreement or to any enforcement of the terms of this Agreement, after settlement, for damages or injunctive relief, in any claim made by Seller.

11. MISCELLANEOUS:

A. The parties hereto agree that this entire agreement shall be binding upon their respective heirs, Personal Representatives, administrators, successors and assigns. **ALSO THE PARTIES RECOGNIZE THAT THIS AGREEMENT IS LEGALLY ENFORCEABLE AND ARE HEREBY ADVISED TO SEEK LEGAL ADVICE IF NOT UNDERSTOOD.**

B. This contract contains the entire agreement between the parties hereto, and neither they nor their agents shall be bound by any terms, conditions or representations not herein written.

12. USE OF THE PROPERTY:

A. Buyer and Seller acknowledge that the property described herein has previously been condemned by the City of Salisbury. Within 60 days after taking possession of the said Property, Buyer shall submit a plan of rehabilitation to the Director of Neighborhood Services and Code Compliance. Buyer hereby covenants that it will complete construction under the plan for rehabilitation in a timely fashion. There shall, however, be no additional restrictions on the use of the Property other than those required by Federal, State or local law.

B. Code Covenant. Buyer agrees that all final plans for structures, site improvements, landscaping, etc. shall be in accordance with the City Code and approved by all appropriate City and other government agencies.

C. Transfer. Buyer hereby agrees to retain the interest acquired in such property until construction is completed.

D. Completion. The term "construction is completed" shall be defined for the purposes of this Agreement to mean when the building is structurally complete to the point that the building inspector of the City would ordinarily issue an occupancy permit.

13. NOTICE. Any notice to be given to a party under this Agreement shall be deemed to be given on the date hand-delivered to the party, or on the second business day following the date when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the Seller at:

S. Mark Tilghman
City Solicitor
110 N. Division Street
Salisbury, MD 21801

addressed to the Buyer at:
JBG Realty, Inc.
P.O. Box 820
Fruitland, MD 21826

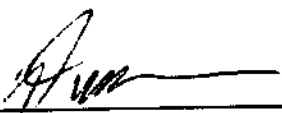
14. **TIME OF THE ESSENCE.** Time shall be of the essence in this Agreement.

AS WITNESS the hands and seals of the parties hereto, the day and year first above written.

ATTEST:

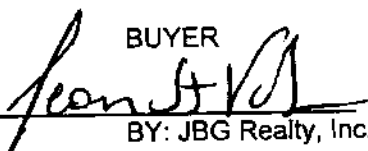
CITY OF SALISBURY

Kimberly R. Nichols
City Clerk



WITNESS

Jacob R. Day, Seller
Mayor

BUYER


BY: JBG Realty, Inc., Buyer