

[CDWI Letterhead]

November __, 2019

CONFIDENTIAL

Honorable Victoria Jackson-Stanley, Mayor
The Commissioners of Cambridge
410 Academy Street
Cambridge, Maryland 21613

Subject: Port Property

Dear Mayor Jackson-Stanley and Commissioners:

The purpose of this Letter of Intent ("Letter of Intent") is to set forth the intention of Cambridge Waterfront Development, Inc., a Maryland non-stock, non-profit corporation ("CWDI"), to accept the transfer of certain property owned by the City of Cambridge, Maryland (the "City") by virtue of the transfer of said real property from the State of Maryland to the City in 2014 (the "Port Property"), as further described herein.

As you know, 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 (the "County") 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.

The Board of Directors of CWDI is charged with planning, promoting, and facilitating the redevelopment and mixed utilization of 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 Port Property (Parcel 5150).

The Port Property is an integral parcel within the CWDI Planning Envelope and CWDI is sufficiently organized and prepared to accept title to said property, as such transfer was contemplated per the MOU and has been discussed to date between authorized City and CWDI officials.

1. The Property:

The Port Property is comprised of all that parcel of land owned by the City situate, lying, and being in the City of Cambridge, Dorchester County, Maryland, Tax Map 301, Parcel 5150, consisting of 11.826 acres of land, more or less, by virtue of a Quitclaim Deed dated August 15, 2014, and recorded among the Land Records of Dorchester County, Maryland at Liber A.J.C. No. 1221, folio 309 which property is further shown on the plat entitled "ALTA/ACSM Land Title Survey Cambridge Maryland Port Administration Dorchester County, Maryland" dated June 20, 2013.

Approximately 7.3 acres of the Port Property is subject to a Lease Agreement between the City and Sailwinds West, Inc. (the “Governor’s Hall Lease”).

Approximately 2.6 acres of the Port Property is subject to a Lease Agreement between the City and Yacht Maintenance Company, Inc./Cambridge Shipyard Facility, Inc. (the “Shipyard Lease”).

Approximately 0.431 acres of the Port Property was substantially improved by the City in 2015/2016 with upgrades to the deep-water wharf and adjacent promenade (the “Deep Wharf and Promenade”) and is maintained by the City.

The portion of the Port Property to be transferred to CWDI is: (i) exclusive of the Deep Wharf and Promenade portion (0.431 acres); (ii) subject to the Governor’s Hall Lease and the Shipyard Lease, and (iii) comprised of approximately 11.395 acres and shown as Parcel 5150 on Exhibit A hereto (the “Property”).

2. Intended Use – Part of Cambridge Waterfront Redevelopment:

The properties within and adjacent to the CWDI Planning Envelope, including the Port Property, are envisioned in totality as a mixed-use waterfront development and destination with uses including a deep water port, functional boatyard, hotel/lodging, dining, retail, residential, Governors Hall (or like special events venue), maritime heritage museum, visitors center, open space, and such improvements as a pedestrian promenade along the water with connectivity to downtown Cambridge, public boat ramp and parking, outdoor amphitheater, beach, playground, fishing pier, and related amenities (the “Plan”).

CWDI intends to leverage and utilize the Property in furtherance of the Plan and in the best interests of the City through CWDI’s incorporated purpose and efforts.

3. Transfer Agreement:

The City and CWDI (collectively the “Parties”) agree to diligently pursue the negotiation of an exclusive transfer agreement incorporating the provisions of this Letter of Intent and such other usual and customary provisions as will be appropriate to carry out the intent and understanding of the Parties.

The transfer agreement shall be assignable by CWDI.

4. Transfer Subject to State Mandates; Restrictive Covenants; State Approval:

The transfer agreement shall, among other things, provide that:

- 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: (a) the Transfer Agreement approved by the

Board of Public Works for the State of Maryland (the “State”) on April 30, 2014 between the City and State, acting through the Maryland Department of Transportation, acting on its own behalf and on behalf of its modal administration, the Maryland Port Administration, and all exhibits thereto (the “State Transfer Agreement” and incorporated by reference); and (b) the Declaration of Covenants and Restrictions dated April 15, 2014 and recorded among the Land Records for Dorchester County, Maryland in Liber A.J.C. No. 1221, Folio 299 (the “Covenants” and incorporated by reference). CWDI agrees to assume the risk and responsibility that the terms and conditions of any subsequent transfer and development of the Property, in whole or in part, complies with the terms and conditions of the State Transfer Agreement and Covenants; and

B. Any transfer of the Property shall be subject to review and approval by the State in accordance with the State Transfer Agreement and Covenants

5. Due Diligence:

By CWDI: CWDI will provide the City with all relevant information it has or knows about the intended use(s) of the Property in the context of the Plan. CWDI agrees to take the lead in drafting the transfer agreement between the Parties and procuring a recordable survey plat depicting the Property boundaries, easements and encumbrances.

By City: City will provide CWDI with all relevant information it has or knows about the Property.

Joint: City and CWDI will cooperate to obtain approval(s) from the State for the transfer of property contemplated by this Letter of Intent.

6. Real Estate Commission: The Parties represent that no brokers or agents are or will be involved in the transaction contemplated herein and each of the parties holds the others harmless with respect to any broker, agent or other third party with regard to the transaction.

7. Beneficiaries: This Letter of Intent is made for the benefit of the City and CWDI, their respective successors and assigns.

8. Applicable Laws: This Letter of Intent and the transaction contemplated herein shall be governed by, construed and enforced in accordance with the laws of the State of Maryland. Each party submits to the jurisdiction of Dorchester County, Maryland, in any action or proceeding arising out of or relating to this Letter of Intent.

9. Disclosure Cooperation: Subject to the Maryland Public Information Act, the Parties will cooperate with each other in making any public disclosure or issuing any press releases pertaining to this Letter of Intent or to the proposed transaction.

10. Assignment: This Letter of Intent is assignable by CWDI, with the approval of the City.

11. Cooperation and Good Faith: The City and CWDI covenant and represent to each other good faith, complete cooperation, due diligence and honesty in fact in the performance of all obligations embodied in this Letter of Intent and subsequent agreements. Time is of the essence with respect to all provisions of this Letter of Intent.
12. Definitive Agreement: Subject to due diligence, the Parties intend to finalize a definitive agreement (i.e., Property transfer agreement) on or before December 31, 2019.

This Letter of Intent is not intended to be a contract between the City and CWDI, but merely a statement of the general terms and conditions upon which the Parties are willing to enter into certain negotiations and transactions involving real property interests. The Parties intend that neither shall have any contractual obligations whatsoever to the other with respect to the transactions referred to herein unless and until a definitive transfer agreement has been fully negotiated and executed and delivered by the Parties.

If the foregoing terms and conditions are acceptable, please execute in the space provided below and return to the undersigned. This Letter of Intent will terminate at 5 p.m., on November 15, 2020, unless executed by the City prior to that time.

Sincerely,

**CAMBRIDGE WATERFRONT
DEVELOPMENT, INC.**

WITNESS/ATTEST:

Sandra Tripp-Jones
Interim Executive Director

Richard M. Zeidman, President

(SEAL)

Attachment

ACKNOWLEDGED AND AGREED TO BY:

CITY OF CAMBRIDGE, MARYLAND

The Commissioners of Cambridge

WITNESS/ATTEST:

Patrick E. Comiskey
City Manager

Victoria Jackson-Stanley, Mayor

(SEAL)

Date: _____

draft

Exhibit A

CWDI PLANNING ENVELOPE PROPERTY BOUNDARY PLAT (DRAFT)

1 inch = 300 feet



Area of Parcel 5150 to
be retained by the City
for Promenade
(0.43 Ac +/-)

Area of Parcel 5150
leased to
Cambridge Shipyards Facility, Inc.
(2.6 Ac +/-)

This exhibit is for illustrative purposes only.

