

May 1, 2017

Mr. Earl Armiger
Orchard Development Corporation
5032 Dorsey Hall Drive
Ellicott City, MD 21042

Re: Letter of Intent – Long Reach Village Center (LRVC)
Sale and Redevelopment of 8775 Cloudleap Court, Columbia, MD 21045

Dear Mr. Armiger:

We appreciate your interest in the redevelopment of the Long Reach Village Center (LRVC). Your team's development plan has been recommended to the County Executive as the preferred plan for the redevelopment of the LRVC. In order for the sale and development of the LRVC to move forward in the Major Village Center Redevelopment Process, the County Council will need to pass a resolution approving an Urban Renewal Project, which will include Orchard Development Corporation's development plan. Furthermore, the County Council will need to pass a resolution to sell the property. A Purchase and Sale Agreement (P&SA) will need to be negotiated and executed following the County Council's passing of the resolution approving the Urban Renewal Project and resolution to sell the LRVC.

The following outlines the basic terms for the sale by the County of the LRVC and the redevelopment of the LRVC by the Orchard Development Team, to be reflected in the P&SA.

The terms and conditions are as follows:

Term	Description
Seller:	Howard County, MD
Purchaser:	Orchard Development Corporation, or a single purpose entity (SPE) of which Orchard Development Corporation is a Principal with a majority interest and control
Property:	8775 Cloudleap Court, Columbia, MD 21045 Long Reach Village Center (7.71 acres)
Preferred Plan:	The redevelopment plan submitted on March 1 st as part of Purchaser's response to the RFP; the Purchaser's response to clarification questions submitted on March 22 nd and the Purchaser's BAFO response submitted on April 13th
Covenant by Purchaser:	The P&SA shall cover agreed upon terms to ensure delivery of a new ground-up development with the general mix and uses proposed in the Preferred Plan
Purchase Price:	\$2,500,000.00 in cash
Deposit:	Total deposit of 5% of Purchase Price. Deposit made within 5 days of the execution of the P&SA. Deposit to be made with an escrow agent agreed-to by the parties. Any interest earned on the

	deposit will be credited to the Purchaser. Deposit will become non-refundable upon completion of due diligence and will be applied against the Purchase Price.
Purchase and Sale Agreement (P&SA) Execution Date:	Following County Council's Approval of the Urban Renewal Project and of the Resolution to Sell; Anticipated Time Period of P&SA Execution is August – September 2017
Due Diligence Period:	Up to 90 days. Seller will deliver all available information relating to the Property to Purchaser within 10 days of execution of the P&SA.
Termination:	Purchaser may terminate the P&SA for any reason and at any time through the end of the Due Diligence Period. The deposit shall be refunded to the Purchaser if terminated before the end of the Due Diligence Period.
Closing Date:	Within four weeks of the completion of the Due Diligence Period. Anticipated Closing Date is in Q1 2018 or sooner.
Access:	Purchaser has right to enter Property for inspection during Due Diligence Period upon adequate notice to Seller. Purchaser shall promptly repair any damage caused by the inspections to the reasonable satisfaction of Seller.
Seller's Representations and Warranties:	Covers such items as the Seller's authority to enter into the P&SA, no pending action that will affect the transaction, conformance with applicable laws, tenancy or occupancy agreements with other parties, no litigation against the property, no prior agreements to sell, no taking of action by Seller to modify the zoning, and continuing to operate the property in a satisfactory manner through the closing date. These representations and warranties shall be true and correct as of the settlement date.
Purchaser's Representations and Warranties:	Covers such items as Purchaser's authority to enter into the P&SA and no pending action that would affect the transaction. These representations and warranties shall be true and correct as of the settlement date.
Conditions Precedent to Purchaser's Obligations:	Purchaser shall insert conditions precedent to closing
Conditions Precedent to Seller's Obligations:	Seller shall insert conditions precedent to closing
Closing Documents:	Prior to the expiration of Due Diligence Period, the Seller and Purchaser will establish a schedule

	and responsibilities for drafting closing documents
Closing:	Closing shall be conducted by an agreed upon escrow agent and/or closing agent
Closing Costs:	To the extent due, recordation, transfer, stamp taxes and the like, and escrow agent fees shall be shared equally by the parties. Title exam, title insurance premiums, notary fees and such other charges incident to settlement shall be paid by Purchaser. Each party shall pay for its own legal fees.

This letter is intended to express the parties' interest in undertaking the transactions contemplated. Nothing contained herein shall be binding on either party unless and until a P&SA is fully executed and exchanged by both parties.

Sincerely,

Allan H. Kittleman
County Executive

Approved for Form and Legal Sufficiency

By:
Gary W. Kuc, County Solicitor

Reviewing Attorney:

By:
Norman E. Parker, Jr.
Senior Assistant County Solicitor

Acknowledged and Approved this ____ day of May, 2017 by:

Orchard Development Corporation

By:
L. EARL ARMIGER
Chairman & CEO