

**TAKOMA JUNCTION  
DEVELOPMENT AGREEMENT**

**THIS DEVELOPMENT AGREEMENT** (“Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_, 2016 (“Effective Date”), by and among the City of Takoma Park, Maryland, a municipal corporation, (“City”), and The Neighborhood Development Company, L.L.C, a District of Columbia limited liability company (“Developer”) (each a “Party” and collectively the “Parties”), or their respective permitted successors and assigns.

**WHEREAS**, in 1995 the City purchased the property, commonly known as Takoma Junction, which is located at the intersection of Carroll Avenue and Route 410 in the Takoma Park Historic District of the City and is comprised of multiple parcels and parts of parcels, partly in the NR (Neighborhood Retail) Zone and partly in the R-60 Zone, improved with an asphalt parking lot and containing a total of approximately 1.42 acres of land as more particularly described on Exhibit A (“Property”);

**WHEREAS**, the City purchased the Property for the purpose of stabilizing and revitalizing the Takoma Junction area;

**WHEREAS**, in January of 2014, the City issued a Request for Proposals (“RFP”) seeking proposals for redevelopment of the Property (“Project”);

**WHEREAS**, in response to the RFP, Developer submitted a proposal for the Project;

**WHEREAS**, by Resolution 2015-19 attached hereto as Exhibit B, the Council of the City (“City Council”) chose Developer as the developer for the Project and authorized the City Manager for the City to commence negotiations with Developer for the redevelopment of the Property;

**WHEREAS**, Resolution 2015-19 provides that the City Council is seeking the following from Developer pursuant to the Project: a) an early resolution between Developer and the Takoma Park – Silver Spring Co-op (“Co-op”), which is currently occupying space on property adjacent to the Property, regarding the Co-op’s long-term role as an anchor tenant at the Property; b) continued inclusion of public parking at the Property as part of the Project; c) Project design that minimizes detrimental impacts to neighboring properties on Columbia and Sycamore Avenues; d) continued guidance regarding Developer’s design based upon the project goals defined in this document; e) design that optimizes the provision of retail services on the first floor of the building to be constructed

on the Property as part of the Project; and f) the provision of public or community spaces that result in enhanced interactions among residents and visitors (the “Project Goals”);

**WHEREAS**, the Project Goals also include the support of independent businesses; the expansion of community use of public space; improved mobility and an enhanced streetscape at the Property; maintenance and expansion of parking options for area businesses and the provision of pedestrian access from Columbia Avenue to the Property; incorporation of environmentally sustainable and green building features; encouraging alternate modes of transportation in relation to the Property; and a retail tenant mix with a high priority for local and regional operators;

**WHEREAS**, Developer has prepared an RFP Concept Proposal in response to the RFP, which the City and Developer wish to discuss, add detail to and finalize for submission to the applicable Takoma Park, Montgomery County, Maryland (“County”) and State of Maryland (“State”) agencies to obtain all required approvals;

**WHEREAS**, the City and Developer desire to enter into a ground lease for Developer to lease the Property;

**WHEREAS**, Section 1301 of the Takoma Park Municipal Charter empowers the City to lease property belonging to the City; and

**WHEREAS**, the City and the Developer desire to enter into this Agreement to set forth their mutual understandings and responsibilities with regard to the lease and redevelopment of the Property in accordance with Project Goals.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, and undertakings provided for herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Ground Lease of the Property. The City agrees to ground lease its fee simple interest in the Property to Developer in order to facilitate the redevelopment of the Property in accordance with the Project Goals and to establish a retail/commercial destination with a tenant-mix made up predominantly of local and regional tenants and, if the Parties agree, residential units. The ground lease (“Ground Lease”) for the Property and improvements constructed thereon (“Ground Lease Premises”) shall be executed as provided in the Project Schedule (as defined in Section 7 below). The payment of rent under the Ground Lease shall commence on such date as is provided in the Ground Lease. The term of the

Ground Lease shall be for a period of ninety-nine (99) years. The form of Ground Lease is attached hereto as Exhibit C.

2. Development Plan. At no expense to the City, Developer agrees to plan, design, develop, and build the Project in accordance with the Site Plan/Preliminary Plan developed pursuant to the provisions of Section 6 below as approved, authorized and permitted in accordance with this Agreement and accepted in writing by the City, the Montgomery County Council and any necessary agency of the State.
3. Community Consultation Process Advisory Committee. The City and Developer desire to have community input regarding certain aspects of the development of the Project. In that regard the City and Developer wish to develop a process to both facilitate and manage such community input and feedback from the residents of the City at certain critical stages of the Project development process and have agreed to use good faith efforts to create a Community Consultation Process Advisory Committee and procedure for eliciting feedback from the Community regarding certain aspects of the development process as follows:
  - (a) The City will appoint not more than seven (7) residents of the City (if reasonably possible, one resident from each Ward of the City) to form a Community Consultation Process Advisory Committee, which Committee will not make decisions regarding the Project, but will, in conjunction with Developer and the City, develop a process for facilitating community participation in certain aspects of the Project development process, and
  - (b) NDC will develop a listserv or website to elicit feedback from City residents who are unable to attend public meetings.
4. Co-op. Developer is engaged in and shall continue its good faith efforts to negotiate an expansion of the Co-op's existing premises ("Co-op Existing Premises") to occupy part of the Building or Project and, as reasonably required, the use of certain parking and/or access areas located at the Project. Within thirty (30) days of the Effective Date, Developer shall begin providing weekly status updates to the City, which may be provided via e-mail to City Manager, Suzanne R. Ludlow, at [SuzanneL@takomaparkmd.gov](mailto:SuzanneL@takomaparkmd.gov) apprising the City of the status of the letter of intent negotiations between Developer and the Co-op ("Co-op LOI"). If at that date that is one hundred twenty (120) days from the

Effective Date, Developer has not submitted to the City a Co-op LOI executed by the Developer and the Co-op for a lease in accordance with the provisions of this Section 4 then the City in its sole discretion may (a) provide Developer with additional time not to exceed thirty (30) days with which to negotiate the Co-op LOI, or (b) after, or in lieu of, the provision of the additional 30-day period in subsection (a) above, require the Developer to commence seeking a letter of intent with another anchor tenant for the Project other than the Co-op (“Primary Tenant”) and require Developer to provide reasonable accommodation to the Co-op’s operation of its business in the Co-op Existing Premises, which accommodation shall include access for loading of deliveries and Co-op customer parking, provided the Co-op is operating in the Co-op Existing Premises and an agreement that NDC will not lease any portion of the Project to another food co-operative (meaning a food distribution outlet organized as a co-operative) or grocery store (meaning a retail grocer or supermarket selling a large variety of food and household items), but such restriction is not intended to exclude specialty shops or other sellers of food and beverages such as, but not limited to, the following: restaurants, coffee shops, frozen yogurts, or gourmet food, or wine and beer shops, during any such period that the Co-op is open and operating in the Co-op Existing Premises, subject to reasonable permitted closures by the Co-op for renovation or inventory or pursuant to the construction of the Project, or (c) terminate this Agreement upon ten (10) business day notice to Developer, in which event, neither Party shall have any further obligations to the other, except that upon such termination (i) Developer will transfer and/or assign the Transferables (as defined in Section 9(a) below) to the City, and (ii) the City will pay Developer an amount up to Seventy-Five Thousand Dollars (\$75,000.00) for reasonable, out of pocket costs that Developer has incurred as of the date of such termination, as demonstrated through paid invoices or other reasonable proof of payment, in regard to the planning, entitlement, permitting, and construction including architectural drawings, civil, geotechnical and environmental engineering fees, and surveyor services for the Project and obtaining studies and reports regarding the same, and for traffic and parking studies, or the physical or environmental condition of the Project, as well as legal fees directly related to the foregoing. If the City notifies Developer that it is authorizing Developer to commence

seeking a letter of intent with a Primary Tenant and Developer has not executed a lease in the Building with such Primary Tenant within eighteen (18) months of such notice, then the City has the right to terminate this Agreement and the Ground Lease by providing a ten (10) business day notice to Developer and, in such instance, neither Party shall have any further obligation to the other accruing after the effective date of the termination.

5. Physical Inspection. Developer currently has the right to conduct soil borings and other examinations of the physical condition of the Property pursuant to that certain Right of Entry Agreement dated October 26, 2015 between the City and Developer. In the event that Developer has not completed its physical inspection of the Property by the Effective Date, Developer shall have one hundred twenty (120) calendar days following the Effective Date to complete its physical inspection of the Property (“Inspection Period”) pursuant to the provisions of the Right of Entry Agreement. Within thirty (30) business days after the expiration of the Inspection Period, if Developer finds that the physical condition of the Property is not reasonably suitable for the Project based upon its findings during the Inspection Period (“Objectionable Physical Conditions”), Developer shall have the right to notify the City of such Objectionable Physical Conditions and to request that the City remedy those Objectionable Physical Conditions (“Objectionable Physical Conditions Notice”). The City has no obligation to remedy those Objectionable Physical Conditions but if upon the receipt of the Objectionable Physical Conditions Notice, the City does not notify Developer of its intention to remedy the Objectionable Physical Conditions within forty-five (45) days, then Developer may terminate this Agreement and the Ground Lease by providing City with ten (10) business day notice and, upon the expiration of such ten (10) business day period this Agreement shall terminate and neither Party shall have any further obligations hereunder accruing after the effective date of the termination.
6. Site Plan/Preliminary Plan. The Developer and the City agree to cooperate to create a “Site Plan/Preliminary Plan” which will add detail to the RFP Concept Proposal. The Site Plan/Preliminary Plan will be completed in three stages, which are identified as a part of the Project Schedule: 1) Draft Site Plan/Preliminary Plan, 2) Final Site Plan/Preliminary Plan, and 3) construction documents incorporating the plans and specifications of the

Building “Construction Documents.” These stages of plan development will address the specific Project Goals as well as the objectives of the County, and any necessary agency of the State responsible for the review of land development projects. The Site Plan/Preliminary Plan will incorporate the following characteristics as the same may be modified by agreement between Developer and the City working together in good faith:

- a. City Additions. The Developer agrees to consult with the City and to use its Best Efforts to incorporate the following elements in the Draft and Final Site Plan/Preliminary Plan. As used in this Agreement, “Best Efforts” means that such Party shall endeavor in good faith to employ all commercially reasonable measures available to that Party and within that Party’s power, with promptness and due diligence, to bring about the event or result to which the “Best Efforts” obligation refers. Such obligation shall include a requirement that the party make affirmative efforts to accomplish the objective in question.
  - i. LEED Gold or Higher or Equivalent Requirements. The Developer shall design and construct the Project so that the Building satisfies the requirements for LEED Gold or higher certification from the U.S. Green Building Council or an equivalent certification of environmental sustainability from an established organization reasonably acceptable to the City (“LEED Gold or Higher or Equivalent Requirements”).
  - ii. Green Elements. In addition to ensuring that the Building satisfies the requirements for LEED Gold or Higher or Equivalent Requirements, the final specifications for the incorporation of green building strategies will be resolved through the development of the Final Site Plan/Preliminary Plan for the Project in consultation with the City.
  - iii. Residential Units. The Building may include residential units.
  - iv. Public Gathering Space. Developer shall use its Best Efforts to create an accessible outdoor space devoted to year-round public use or enjoyment that attracts the public. The public open space must fulfill the design requirements outlined in Section 6.3.6 of the Montgomery County Zoning Ordinance after community input facilitated through the

Community Consultation Process Advisory Committee as more fully outlined in Section 3 above.

- v. Improved Mobility and Enhanced Streetscape. The Project will be designed to preserve and include alternatives to automotive transportation, such as a bicycle sharing station and bicycle racks.
  - vi. Parking. The Project will be designed to provide parking options for area businesses not located within the Project as agreed to between the Developer and the City.
  - vii. Retail and Other Commercial Uses Emphasizing Local and Regional Operators. Developer shall consult with the City, as more particularly addressed in the Ground Lease, for the leasing of the commercial space within the Building predominantly to local and regional operators to establish a retail/commercial destination that provides options for the local community and shall agree on leasing parameters, all as more fully addressed in the Ground Lease.
  - viii. Co-op Parking and Loading. Should the Co-op LOI not be executed as provided in Section 4 above, the Project will be designed to provide reasonable accommodation to the Co-op, provided the Co-op is operating in the Co-op Existing Premises, for access for loading of deliveries and customer parking.
- b. If despite good faith negotiations, Developer and City are unable to agree on Draft Site Plan and Preliminary Plan by the deadline provided in the Project Schedule the Parties agree to extend the time frame in the Project Schedule for the completion of the Draft Site Plan and Preliminary Plan by one hundred twenty (120) days to allow the Parties to meet in good faith in a non-binding forum with a neutral third-party from the greater Washington, D.C. metropolitan area real estate community collectively chosen by Developer and City (and with each Party paying for one-half of such neutral third-party's fee) who is familiar with mixed-use or retail projects in the greater Washington, D.C

metropolitan area, such as a commercial real estate broker, architect, urban planner, or developer who will advise and attempt to assist the Parties in reaching agreement on the foregoing issues identified in this Section 6. The foregoing notwithstanding, if at the end of the additional 120-day period, the Parties are still unable to agree on the foregoing issues identified in this Section 6, then either Party may terminate this Agreement and the Ground Lease by providing 30-day notice to the other and in which event neither Party shall have any liability or obligations hereunder accruing after the effective date of the termination.

7. Project Schedule.

- a. Within thirty (30) business days of the Effective Date, Developer shall provide the City with a final Project Schedule (“Project Schedule”), which will be attached to this Agreement as Exhibit D. The Project Schedule will outline and track the development process for the Project including “Commencement” and “Finish” dates for each Main Task (as defined in Section 12 below) identified as such and shown on the Project Schedule. The City will have thirty (30) business days after receipt to review and either approve or reject the Project Schedule. If the City rejects the Project Schedule, Developer shall use its Best Efforts to incorporate suggestions received from the City into the revised Project Schedule and shall continue to resubmit the Project Schedule for approval until such approval is obtained (“Approved Project Schedule”). If despite good faith negotiations, Developer and the City are unable to agree on an Approved Project Schedule within one hundred twenty (120) days of the Effective Date, then either Party may terminate this Agreement and the Ground Lease by providing 10-days’ notice to the other and in which event neither Party shall have any obligations or liabilities hereunder accruing after the effective date of the termination.
  
- b. If at any time a Main Task set forth on the Approved Project Schedule cannot be completed by the “Finish” date, then Developer shall notify the City in writing



at least fifteen (15) business days before the deadline. Such notification must state the reasonable additional time needed for the task and the reason(s) the Main Task cannot be completed by the “Finish” date. In the event the City, County, and/or State, or any situation beyond the reasonable control of Developer are a cause of the Main Task not being completed, the Developer shall be granted the additional time needed to complete the task. The City shall notify Developer of an approval or denial of Developer’s request within five (5) business days of receipt of Developer’s request. Requests to the City for extensions shall not be unreasonably withheld; however, it will be within the City’s discretion to deny such requests if the reason for the failure to meet the Finish date for a task is within the Developer’s control. Any failure to meet a Finish date for which an extension of time either is not sought or is denied will be considered a Default under section 8 of this Agreement.

- c. Developer shall be entitled to revisit the Approved Project Schedule upon completion of an identified Main Task, to ensure that the Project Schedule reflects the most up to date information based on resolved Project parameters. Within fifteen (15) business days of completion of a Main Task, Developer shall provide the City with an updated Project Schedule. The City will have fifteen (15) business days after receipt to review and either approve or reject the updated Project Schedule. If the City rejects the updated Project Schedule, Developer shall use its Best Efforts to incorporate suggestions received from the City into the revised Project Schedule and shall continue to resubmit the Project Schedule for approval until such approval is obtained. If despite good faith negotiations, Developer and the City are unable to agree on an updated Project Schedule within one hundred twenty (120) days of submission of the updated Project Schedule to the City, then either Party may terminate this Agreement and the Ground Lease by providing 10-days’ notice to the other and in which event neither Party shall have any obligations or liabilities hereunder accruing after the effective date of the termination.

d. “Substantial Completion” means the stage in the construction of the Project, when the following have been satisfied, subject to Developer’s completion of its punch list items:

(i) construction and delivery of loading dock(s), if applicable, the underground parking garage and exterior walls, floors, and roof of the Building (“Building Shell”) shell in accordance with the final Construction Documents for the Project such that the work meets all applicable legal requirements necessary for the issuance by the applicable agency or division of the City or County of a Certificate of Occupancy, broom clean and free from debris caused by or created by Developer and its agents employees contractors and subcontractors;

(ii) completion of the foregoing areas in such a manner as to be accessible and usable by Subtenants and their customers for parking and loading purposes;

(iii) completion of the Building’s lobby area(s), elevator cabs, if any, and all other common areas to be used by Subtenants and residential tenants, if any, and the rendering of such areas in broom clean condition, free from debris caused by or created by Developer and its agents, employees, contractors and subcontractors;

(iv) delivery of a dated certificate (AIA form G704 or equivalent form approved by the City) from the architect responsible for construction of the Building Shell stating that upon such date and in such architect’s professional judgment, made in accordance with the applicable standard of care, Substantial Completion of the Building Shell and the other improvements has occurred in accordance with the definition of Substantial Completion set forth in this Agreement and in accordance with the Final Site Plan and Construction Documents, subject to punch list items;

(v) with respect to the retail areas of the Building, completion in accordance with Construction Documents to the level of “cold dark shell” so that the Developer or the applicable Subtenant can commence Subtenant buildouts;”

(vi) completion of substantially all work in the residential apartments, if any, except for punch list items, such that such units can be leased;

(vii) completion of substantially all streetscapes, sidewalks, lighting and public spaces as required by the Final Site Plan;

(viii) delivery to Developer of all warranties and other similar documents that relate to equipment and other materials installed in the Building obtained by Developer; and

(ix) all contractors and subcontractors performing work on such phase, component or portion of the improvements have been paid in full (less any retention for punch list items);

(x) all lien releases for such work have been executed, notarized and delivered to Developer with copies being provided to the City.

8. Default. City and Developer are required and agree to comply with all of the terms and conditions of this Agreement and to execute the Ground Lease and construct the Project in accordance with the terms of this Agreement, and both Parties acknowledge that failure to do so constitutes a default hereof. The term “Default” shall mean any material default by either Party of the terms and conditions of this Agreement and/or a default regarding a Main Task as listed in the Project Schedule where such material default remains uncured for thirty (30) days after receipt of written notice; provided, however, that if such failure is capable of cure but cannot reasonably be cured within thirty (30) days, such failure shall not constitute a default so long as the defaulting Party is proceeding diligently and continuously to remedy such failure, but in no event shall any additional time to cure granted hereunder exceed ninety (90) days after such written notice.

9. Remedies.

a. Developer’s Default. If Developer is in Default, the City may terminate this Agreement and the Ground Lease upon thirty (30) day notice to Developer. If the City terminates this Agreement, the City may not seek monetary damages or specific performance from the Developer, but upon such termination Developer will assign and transfer all the benefits and products of Developer’s work at or regarding the Property to date, including but not limited to its rights to any and all permits, contracts, plans, drawings, licenses, lien releases, fees and deposits being held, work product, studies, and entitlements to the Project to the City and will transfer ownership to the City of any and all materials, fixtures and equipment obtained for or improvements made to the Property and any trademarks or other intellectual property (collectively, the “Transferables”) and the City may seek damages and specific performance against Developer should it fail to effect such assignment or transfer, and if the Developer has “Commenced Construction” (meaning the date when materials or labor is provided to the Property by Developer or their contractors for the demolition, grading, or improvement of the Property”), then the Developer will reasonably cooperate in assisting the City in collecting under the Performance Bond as defined in Section 12 below. The City, in its sole discretion, may agree to defer the exercise of its remedies for up to sixty (60) days pursuant to a Developer Default provided the Developer agrees to meet in a non-binding forum with a neutral third-party from the greater Washington, D.C. metropolitan area legal community,

such as a retired judge or lawyer with substantial mediation experience, collectively chosen by the Developer and City (and who will each pay for one-half of such neutral third-party's fee), who will advise and attempt to assist the Parties in reaching a resolution of the Developer's Default. The foregoing notwithstanding, if at the end of the additional 60-day period, the Developer's Default is not resolved to the satisfaction of the City in its sole discretion then the City may terminate this Agreement and the Ground Lease and shall be free to exercise all of the remedies provided to the City herein.

- b. City Default. If the City is in Default after the expiration of all applicable cure periods, the Developer may terminate this Agreement and the Ground Lease upon thirty (30) day notice to the City or seek specific performance, but Developer is not entitled to receive monetary damages from the City for the City's Default. The Developer, in its sole discretion, may agree to defer the exercise of its remedies for up to sixty (60) days pursuant to a City Default provided the City agrees to meet in a non-binding forum with a neutral third-party from the greater Washington, D.C. metropolitan area legal community, such as a retired judge or lawyer with substantial mediation experience, collectively chosen by the Developer and City (and who will each pay for one-half of such neutral third-party's fee), who will advise and attempt to assist the Parties in reaching a resolution of the City's Default. The foregoing notwithstanding, if at the end of the additional 60-day period, the City's Default is not resolved to the satisfaction of the Developer in its sole discretion then the Developer may terminate this Agreement and the Ground Lease or seek specific performance, but Developer is not entitled to receive monetary damages from the City for the City's Default.

#### 10. Property Condition.

- a. The Parties agree that the City has made no warranties with reference to the condition of the Property or improvements thereon and the Property is being provided to the Developer pursuant to the Ground Lease in "as is" condition. The Developer specifically acknowledges and agrees that the Developer is ground leasing the Property on an "as is" basis and that Developer is not relying

on any representations or warranties, express or implied, from the City or its agents, as to any matters concerning the Property, including and without limitation any aspect thereof. Further, the Developer, on behalf of itself and its successors and assigns, waives its rights to recover, and forever releases and discharges, the City, its officers, employers and agents, and each of them, and the respective heirs, successors, representatives and assigns from any and all demands, claims, legal or administrative proceedings, losses, liabilities, penalties, fines, liens, judgments, costs or expenses whatsoever (including without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way connected with the Property.

- b. The Property currently contains certain personal property belonging to the City and the Co-op, including parking pay stations, fencing and storage units. The City reserves the right to remove any items of personal property from the Property, at its expense or that of the Co-op, prior to delivery of possession of the Property to Developer pursuant to the Ground Lease.

11. Indemnification/Limitations of Liability.

- a. Limitation of Liability. In no event shall either Party be liable for special, exemplary, punitive, incidental, indirect or consequential damages resulting from any breach of this Agreement or otherwise, even if such Party has been notified of the possibility of same. This clause shall survive termination of this Agreement.
- b. Indemnification by Developer. Developer hereby agrees to defend, indemnify and hold City and its officials, employees, agents, boards and agencies harmless from and against any and all claims, judgments, liabilities, damages (excluding lost profits or other consequential or indirect damages), costs and expenses (including reasonable attorneys' fees): (i) arising out of or relating to Developer's negligence or willful misconduct; (ii) arising out of a violation of applicable law by Developer; (iii) arising out of or relating to a claim brought by a third party against City that any design of Developer infringes or violates any intellectual property or

proprietary right of a third party; and/or (iv) arising out of or related to Developer's breach of this Agreement.

12. Construction Performance Bond. Within three (3) business days of Commencement of Construction, Developer, or its General Contractor, shall furnish a performance bond issued by a reputable surety company in a form consistent with the standards of the industry as a guarantee of Developer's meeting the construction-related Main Task "Finish" dates outlined in the Approved Project Schedule and any revisions thereto and the Substantial Completion of the Project. Said performance bond shall be subject to the approval of the City Manager and shall be with a surety and in a form reasonably satisfactory to City Manager. The total amount of the performance bond shall be forfeited in favor of the City if Developer fails to complete a Main Task by or achieve Substantial Completion of the Project by the "Finish" date outlined in the Project Schedule. A "Main Task" shall be defined as an item on the Approved Project Schedule whose failure to achieve the stated "Finish" date jeopardizes the Substantial Completion of the construction of the Project in a timeframe consistent with the Approved Project Schedule and shall include, but not be limited to, site plan approval, creation and approval of construction drawings, issuance of the building permits; construction commencement date, construction milestones, final inspection and construction completion, including completing exterior site improvements such as parking, hardscape and landscaping, designing and constructing the Project so that it satisfies the requirements of LEED Gold or Higher or Equivalent Certification, and occupancy permits as required by the County.
13. Notices. All notices, approvals, and other communications required pursuant to the terms of this Agreement shall be in writing and shall be deemed duly given if delivered (i) by email at the record email address of the other Party, (ii) by hand, (iii) by same day or overnight courier service, or (iv) by first class U.S. mail to the Parties at the following addresses (or to such other person or address as either Party shall designate by written notice to the other). All written notices, approvals, or other communications given under this Agreement shall be considered given on the date of email transmission, hand delivery, courier delivery, or deposit in the United States mail. Rejection or other refusal to accept

or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice.

If to the City:

Suzanne R. Ludlow, City Manager  
City of Takoma Park  
7500 Maple Avenue  
Takoma Park, MD 20912  
Phone: (301) 891-7229; fax (301) 270-8794  
E-mail: [SuzanneL@takomaparkmd.gov](mailto:SuzanneL@takomaparkmd.gov)

With a copy to:

Douglas M. Bregman, Esq,  
Bregman, Berbert, Schwartz & Gilday, LLC  
7315 Wisconsin Avenue  
Suite 800 West  
Bethesda, Maryland 20814  
(301) 656-2707; (301) 961-6525  
[dbregman@bregmanlaw.com](mailto:dbregman@bregmanlaw.com)

and

Susan Silber, Esq.  
Silber, Perlman, Sigman & Tilev, P.A.  
6930 Carroll Avenue, Suite 610  
Takoma Park, Maryland 20912  
(301) 891-2200; fax (301) 891-2206  
[Silber@sp-law.com](mailto:Silber@sp-law.com)

If to the Developer:

Adrian G. Washington, Manager  
Neighborhood Development Company, L.L.C.  
3232 Georgia Avenue, NW, Suite 100, Washington, DC 20010  
Phone (202) 722-6002, ext. 2211; fax (202) 722-6509  
E-mail: [AWashington@neighborhooddevelopment.com](mailto:AWashington@neighborhooddevelopment.com)

With a copy to:

Joel F. Bonder, Esq.  
JF Bonder PLLC

3610 Livingston Street, NW  
Washington, DC 20015  
Phone: (301) 529-1422  
Email: jbonder@jfbonder.com

14. Miscellaneous.

- a. Successors and Assigns. The Parties to this Agreement mutually agree that all of the terms and provisions of this Agreement shall be binding upon them and each of their respective successors, transferees, and assigns.
- b. Entire Understanding. This Agreement contains the final and entire agreement between the Parties. Neither the Parties, nor their agents shall be bound by any terms, conditions, statements, warranties or representations, oral or written, not herein contained or contained in a written amendment. Once signed, the terms of this Agreement may only be changed by a document executed by all Parties. The invalidity of any clause or portion of any provision of this Agreement shall not affect the validity of the remaining portions thereof. This Agreement shall be interpreted and construed according to the laws of the State.
- c. Waiver. Waiver of any requirement of this Agreement by either Party may only be granted by the waiving Party pursuant to a written waiver executed by the waiving Party. Failure of any Party to exercise any right or remedy hereunder shall not impair any of its rights or be deemed a waiver thereof.
- d. Section Headings. The section headings of this Agreement are for convenience and reference only, and in no way define or limit the intent, rights or obligations of the Parties.
- e. Assignment. This Agreement may be assigned by Developer only with the express prior written consent of the City, which may be withheld in the City's sole and absolute discretion, except that no consent shall be required to assign this Agreement to an Affiliate of Developer, "Affiliate" meaning an individual, firm, partnership, association, corporation, limited liability company, or any other entity which either controls, is controlled by, or is in common control with The Neighborhood Development Company, L.L.C. If Developer assigns this Agreement to an Affiliate, then Developer shall provide prompt notice of such



assignment to the City along with information and documentation regarding the formation and ownership of such Affiliate. Such assignment shall not release Developer of any of its obligations hereunder, and Developer shall remain fully liable therefor.

- f. No Merger. The provisions of this Agreement shall survive the execution and effective date of the Ground Lease and shall not merge into the Ground Lease.
- g. Attorney's Fees. In any action or proceeding involving a dispute between the City and the Developer arising out of this Agreement, the prevailing Party shall be entitled to receive from the other Party reasonable attorney's fees and costs as determined by the court.
- h. Force Majeure. Each Party to this Agreement shall be excused from performance hereunder for any period of time to the extent that it is prevented from performing any of its obligations pursuant hereto, in whole or in part, as a result of delays caused by an act of God, fire, explosion, transportation contingencies, unusually severe weather, quarantine, restriction, epidemic, natural catastrophe, terrorist attack, war, civil disturbance, acts of the government of any country or of any governmental agency or official thereof not specific to the Property, court order, labor dispute or shortage, third party non-performance, or other unforeseen causes, events, or circumstances beyond its reasonable control ("Force Majeure"), and such non-performance shall not be a default under this Agreement nor a ground for termination of this Agreement as long as the excused Party makes reasonable efforts to remedy, if and to the extent reasonably possible, the cause for such non-performance. Each Party shall use commercially reasonable efforts to mitigate the effects of any Force Majeure. If any Force Majeure has been prevailing for a continuous period of six (6) months or more, then either Party shall have the right to terminate this Agreement and the Ground Lease upon written notice given to the other, the effectiveness of such notice to occur thirty (30) days following receipt of such notice and, in such instance, neither Party shall have any further obligation to the other accruing after the effective date of the termination.
- i. Governing Law/Venue. This Agreement and all of the rights and obligations of

the Parties hereunder shall be construed in accordance with, and shall be governed by, the laws of the State without giving effect to principles of conflicts of law. The Parties agree that any and all causes of action between the Parties arising from or in relation to this Agreement shall be brought exclusively in the Circuit Court for Montgomery County Maryland and Developer hereby waives any objection as to venue.

- j. Insurance. Developer shall maintain during the term of this Agreement such public liability, automobile, and workers' compensation insurance as will adequately protect City from all claims for damages, including claims for personal injury (including death) or damage to property, which may arise or result from Developer's performance hereunder. This insurance shall include, but is not limited to: (1) worker's compensation and related insurance as prescribed by the law of the state in which the work is performed; (2) employer's liability insurance with limits of at least Two Million Dollars (\$2,000,000) for each occurrence; and (3) comprehensive general liability insurance with limits of at least Five Million Dollars (\$5,000,000), including contractual liability, products and completed operations coverage; (4) comprehensive motor vehicle liability insurance, with limits of at least One Million Dollars (\$1,000,000), and (5) policies of fire and extended coverage with "all-risk" endorsement, on the Building and all other improvements to be constructed by the Developer on the Property in accordance with the provisions of this Agreement, with such insurance to be in the amount of the full replacement cost of the Building and all other improvements on the Property. Developer shall, prior to the start of work, furnish certificates or adequate proof of the foregoing insurance. Certificates furnished by Developer shall contain a clause stating that City shall be notified in writing at least thirty (30) days prior to the cancellation of, or material change, in the policy. The City and its officials, employees, agents, boards and agencies shall be specified as an Additional Insured on all liability policies, except worker's compensation.
- k. Waiver of Right to Jury Trial. The Parties hereby waive their respective right to trial by jury of any cause of action, claim, counterclaim, or cross-complaint in any

action, proceeding, or hearing brought by either Party against the other on any matter whatsoever arising out of, or in any way connected with, this Agreement.

15. DEVELOPER'S/CITY'S AGENT. (a) City hereby designates City Manager Suzanne R. Ludlow whose e-mail address is [SuzanneL@takomaparkmd.gov](mailto:SuzanneL@takomaparkmd.gov) and whose telephone number is 301-891-7229 to act as the City's authorized representative under this Agreement, for the purpose of receiving notices and communications from Developer on behalf of City and providing notices and communications to Developer on behalf of the City and Developer shall have the right to rely on any documents executed by such authorized representative; and (b) Developer hereby designates Juan Powell whose e-mail address is [jpowell@neighborhooddevelopment.com](mailto:jpowell@neighborhooddevelopment.com) and whose telephone number is (202) 567-3201 to act as Developer's authorized representative under this Agreement, for the purpose of receiving notices and communications from the City on behalf of Developer and providing notices and communications to the City on behalf of Developer and the City shall have the right to rely on any documents executed by such authorized representative.
16. Time. The Parties agree that with respect to all of the terms and conditions hereof, time is of the essence.
17. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one agreement. The signature of any Party, whether original, electronic or transmitted electronically, to any counterpart shall be deemed an original signature.

**[SIGNATURE PAGE FOLLOWS.]**

**IN WITNESS WHEREOF**, the City and the Developer have signed this Agreement under seal.

**CITY:**

Attest:

**CITY OF TAKOMA PARK, MARYLAND**

\_\_\_\_\_

\_\_\_\_\_(SEAL)  
Suzanne R. Ludlow, City Manager

Date: \_\_\_\_\_

**DEVELOPER:**

Attest:

**THE NEIGHBORHOOD DEVELOPMENT  
COMPANY, L.L.C.**, a District of Columbia limited liability  
company

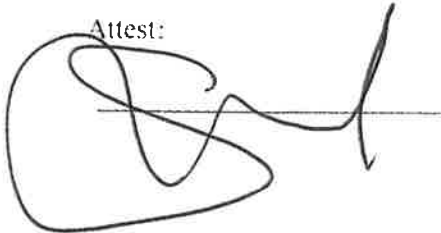
\_\_\_\_\_

\_\_\_\_\_(SEAL)  
Adrian G. Washington, Manager

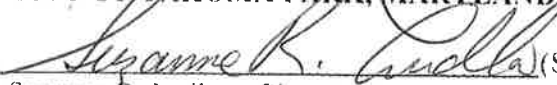
Date: \_\_\_\_\_

IN WITNESS WHEREOF, the City and the Developer have signed this Agreement under seal.

CITY:

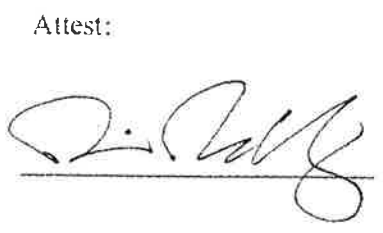
Attest:  


CITY OF TAKOMA PARK, MARYLAND

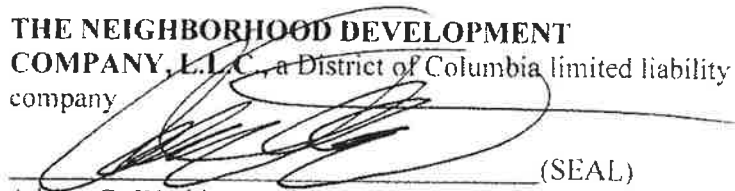
 (SEAL)  
Suzanne R. Ludlow, City Manager

Date: July 29, 2016

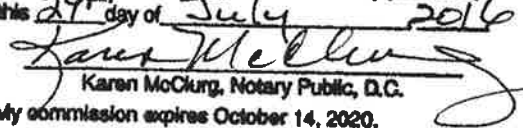
DEVELOPER:

Attest:  


THE NEIGHBORHOOD DEVELOPMENT  
COMPANY, L.L.C., a District of Columbia limited liability  
company

 (SEAL)  
Adrian G. Washington, Manager

Date: 7-29-2016

District of Columbia: SS  
Subscribed and sworn to before me, in my presence,  
this 29<sup>th</sup> day of July, 2016  
  
Karen McClurg, Notary Public, D.C.  
My commission expires October 14, 2020.

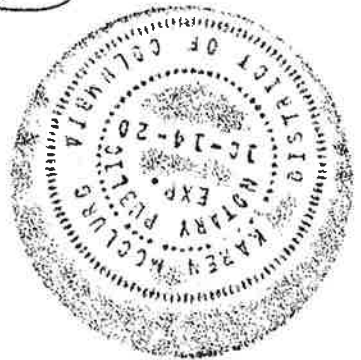


EXHIBIT A

**LEGAL DESCRIPTION OF THE PROPERTY**

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**Metes and Bounds Description:** Lot 39 & P/O Lots 32-37, Block 19 B.F. Gilberts Addition to Takoma Park, Wheaton (13th) Election District, Montgomery County, Maryland

Beginning for the subject property at an iron rod set at the southerly corner of Lot 39 in Block 19 of B.F. Gilberts Addition to Takoma Park Subdivision which is as recorded in Plat Book "A" at Folio 2 among the Land Records of Montgomery County, Maryland and thence with the division line between Lots 14 and 39 North 54° 18' 07" West, 182.67 feet to an iron rod set at the common corner of Lots 39, 14, 30, 31 & 32 and thence with part of the division line between Lots 31 and 32 North 00° 53' 09" West, 79.08 feet to an iron rod set and thence crossing Lot 32 with the following two courses and distances (1) North 85° 59' 18" East, 33.77 feet to a nail set and thence (2) North 04° 00' 42" West, 137.05 feet to an iron pipe found and thence with the southerly right of way line of Carroll Avenue (60' R/W) Maryland State Route #195 and Route 410 along the arc of a curve deflecting to the right and having a radius of 316.76 feet and a long chord bearing and distance of North 78° 20' 19" East, 16.14 feet and an arc distance of 16.15 feet to a P.K. nail set and thence recrossing Lot 32 South 04° 00' 42" East, 139.20 feet to an iron rod set and thence crossing Lots 32 and 33 North 85° 59' 18" East, 38.95 feet to a P.K. nail set and thence crossing Lot 33 North 04° 00' 43" West, 141.41 feet to a P.K. nail set and thence continuing with the aforesaid southerly right of way line of Carroll Avenue North 83° 58' 14" East, 187.75 feet to an iron set and thence crossing Lot 37 South 04° 00' 42" East, 182.56 feet to an iron rod set and thence with the northerly right of way line of Columbia Avenue (40' R/W) the following three courses and distances (1) South 60° 05' 47" West, 2.89 feet to an iron rod set and thence (2) along the arc of a curve deflecting to the left and having a radius of 240.00 feet and a long chord bearing and distance of South 42° 10' 10" West, 147.75 feet and an arc of 150.18 feet to an iron rod set and thence (3) South 24° 14' 33" West, 65.36 feet to the point of beginning and containing 61,862 square feet or 1.4202 acres of land more or less.

EXHIBIT B

**RESOLUTION 2015-19 – THE CITY OF TAKOMA PARK**



Introduced by: Councilmember Stewart

**CITY OF TAKOMA PARK, MARYLAND**

**RESOLUTION 2015-19**

**RESOLUTION AUTHORIZING THE INITIATION OF NEGOTIATIONS  
WITH NEIGHBORHOOD DEVELOPMENT COMPANY, LLC FOR THE REDEVELOPMENT  
OF THE CITY LOT AT THE TAKOMA JUNCTION**

**WHEREAS**, the City purchased the parking lot at the Takoma Junction in 1995 for the purposes of stabilizing this small but important historic neighborhood commercial district and facilitating the revitalization of the area; and

**WHEREAS**, the Takoma Junction Task Force, a Council-appointed committee, presented a final report in February 2012 with the following mission statement:

*Takoma Junction, predominantly located in the Takoma Park Historic District, is a small commercial district in the heart of a residential community, with historically significant resources and a vital fire station that should:*

- *encourage motorists, pedestrians, and bicyclists to slow down, park, relax, and shop while functioning adequately as a link within the local road and transit networks,*
- *encourage sustainable commercial opportunities and provide convenience to local consumers,*
- *serve as a cultural meeting-point for old and young in a diverse community,*
- *blend harmoniously with adjacent residential neighborhoods, and*
- *all in a forward-thinking, attractive and environmentally sensitive way.*

**WHEREAS**, the City Council, in furtherance of the redevelopment of the lot, authorized the release of a Request for Proposals in January 2014 and received seven full proposals in response in May 2014; and

**WHEREAS**, four development teams were selected as finalists by the Council in September 2014 for further consideration, each having been found to be in compliance with the evaluation criteria set forth in the Request for Proposals; and

**WHEREAS**, the Council, over the course of six months, has considered the four redevelopment proposals, scheduled public presentations of the developers' proposals, sponsored a community open house, held listening sessions for the community, solicited additional public comment expressed through oral, written and web formats, and conducted eight work sessions allowing for the further review of the proposals; and

**WHEREAS**, the Council, having carefully evaluated the expertise, financial capacity, and overall vision and concept of each of the development teams and having weighed the public input gathered during this evaluation process, has determined that Neighborhood Development Company, LLC is a capable developer for the Takoma Junction lot and will be a suitable partner with the City; and

**WHEREAS**, Neighborhood Development Company, LLC has expressed a willingness to work cooperatively with the Council and the community to further refine its conceptual plan for the redevelopment of the site and the finalization of various elements of its proposal including:

- a) amount of retail, community, open space and residential space included in the project;
- b) size and massing of proposed structures;
- c) engineering and urban design features that aspire to high environmental and sustainability standards;
- d) incorporation of high-end interior and exterior building finishes;
- e) size and configuration of commercial parking facilities and vehicle access;
- f) landscaping that will enhance the pedestrian experience;
- g) preservation and maintenance of the wooded area;
- h) construction of a building structure that aspires to elegance, beauty, and place-setting that will be admired by professionals and residents;
- i) establishment of a mutually acceptable working relationship with the TPSS Co-op that assures its current and future operational and expansion needs;
- j) enhancement of the economic vitality of the Takoma Junction area;
- k) an increase in the City's commercial tax revenue base;
- l) a fiscally prudent solution for the City of Takoma Park;
- m) traffic study; and
- n) community meetings and design charrettes; and

**WHEREAS**, the City Council recognizes the important role that the Takoma Park Silver Spring Co-op will play as the anchor tenant in the location and NDC has indicated it will work to assure the Co-op's continuity of operations during construction; and

**WHEREAS**, the Council seeks the following:

- a) early resolution between NDC and the Co-op regarding the Co-op's long-term role as an anchor tenant in an expanded structure at the Junction;
- b) continued inclusion of public parking on the site;
- c) project design that minimizes detrimental impacts on neighboring properties on Columbia and Sycamore Avenues;
- d) continued guidance of NDC's design by the priorities identified in the Takoma Junction Task Force report;
- e) design that optimizes the provision of retail services on the first floor of the building; and
- f) provision of public or community spaces that result in enhanced interactions among residents and visitors.

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF TAKOMA PARK, MARYLAND** authorizes the City Manager to initiate negotiations with the Neighborhood Development Company, LLC on an agreement for the redevelopment of the City-owned lot and disposition of the property.

Adopted this 13th day of April, 2015

Attest:

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Jessie Carpenter, CMC  
City Clerk

EXHIBIT C  
**FORM OF GROUND LEASE**

EXHIBIT D  
**PROJECT SCHEDULE**