

DEVELOPMENT RIGHTS AND RESPONSIBILITIES AGREEMENT

By and Between

THE TOWN OF TRAPPE

and

**TRAPPE EAST LLC, LUTHY PROPERTIES LLC, LYONS TRAPPE LLC,
WHITEMARSH FARM LLC, TRAPPE OCEAN GATEWAY LLC, BARBER ROAD
ADDITION LLC, TRAPPE WISE LLC and SLAUGHTER LAND LLC**

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DEVELOPMENT RIGHTS AND RESPONSIBILITIES AGREEMENT

THIS DEVELOPMENT RIGHTS AND RESPONSIBILITIES AGREEMENT ("Agreement") is made and entered into this 15th day of March, 2006, by and between TRAPPE EAST LLC, LUTHY PROPERTIES LLC, LYONS TRAPPE LLC, WHITEMARSH FARM LLC, TRAPPE OCEAN GATEWAY LLC, BARBER ROAD ADDITION LLC, TRAPPE WISE LLC and SLAUGHTER LAND LLC, all Maryland limited liability companies (all of which are referenced herein, collectively and individually, as "Petitioner"), and THE TOWN OF TRAPPE, a municipal corporation, organized and existing under the laws of the State of Maryland ("Town").

RECITALS

This Agreement is entered into based upon the following facts:

A. When used in these Recitals, each of the terms defined in Section 1 of this Agreement shall have the meaning given to it therein.

B. The General Assembly of the State of Maryland adopted Section 13.01 of Article 66B ("Development Agreement Statute"), which authorizes each municipality possessing zoning powers pursuant to Article 66B to enter into a development rights and responsibilities agreement with a person having legal or equitable interests in real property providing that the laws, rules, regulations and policies governing the use, density, or intensity of such real property shall be the laws, rules, regulations, and policies in force at the time the parties execute such agreements, subject to certain limitations.

C. In accordance with the Development Agreement Statute, Town adopted Ordinance No. 2-2003 establishing rules, procedures and requirements for consideration of development rights and responsibilities agreements ("Enabling Ordinance").

D. Petitioner has legal and/or equitable interest(s) in the Property, which consists of approximately 857.8 acres located in the incorporated area of Town, east of Route 50, approximately between Backtown and Barber Roads, as more specifically described in Section 2.2.

E. At the request of the current and/or former owners and contract purchasers of the Property, Town annexed the Property by enacting Resolution No. 7-2002 on February 5, 2003.

F. Qualified voters of Town petitioned the Annexation to a referendum, which was held on April 21, 2003, and in which 340 Town voters participated and affirmed the Annexation by a vote of 246 to 94. The Annexation became legally effective on May 5, 2003.

G. The Town's Comprehensive Plan, adopted on August 7, 2002, designates the Property for future development as a "Planned Neighborhood" including residential and commercial uses. The Comprehensive Plan discourages isolated subdivisions and large lot

residential development in favor of planned communities containing a mix of residential and commercial uses.

H. There are many benefits to the master-planned development of a large tract of land that generally are not as readily achieved when such tract is developed in a piecemeal fashion, including but not limited to the integration of roads and bicycle and pedestrian networks, water and sewer infrastructure and active and passive recreation facilities. Furthermore, a developer that is capable of securing approval of a large tract of land has the capability of making off-site contributions capable of ameliorating the impact and cost of the off-site infrastructure improvements required to accommodate the development.

I. The achievement of the Comprehensive Plan's visions with respect to the Property requires the cooperation of Town and Petitioner of the Property. As a result of the development of the Property, Town will receive additional and varied residential housing, commercial development, new jobs, significant increases to the real property tax base, publicly accessible open space, protection of environmentally sensitive areas, recreational facilities, and improvements to public infrastructure within the Town.

J. Petitioner desires to develop the Property, in accordance with this Agreement and the Annexation Agreement, as a master planned mixed-use community with a diverse population, including residential dwellings priced to attract and accommodate families that provide essential services to the Trappe and Talbot County community, such as the fields of education, healthcare, and police and emergency services. The Property will be developed, if at all, with interconnected neighborhoods containing a variety of residential, commercial, retail and municipal uses and multiple public and private open space and recreational amenities.

K. On February 1, 2006, after a duly noticed public hearing, the Town Council enacted Ordinance No. 9-2005, which established a Planned Neighborhood ("PN") zoning district for the Property and approved the PUD Plan for the Approved Phases of the Project.

L. Petitioner has petitioned Town to enter into a development rights and responsibilities agreement and proceedings have been taken in accordance with the Development Agreement Statute and Enabling Ordinance.

M. The purpose of this Agreement is to facilitate the implementation of the Town's Comprehensive Plan through the development of the Project, and to provide assurance to the Petitioner that the Property, if developed, will be developed at the density permitted by the Planned Neighborhood District. The development of the Project requires a major investment of resources, planning and effort by the Town to support the increase in population proposed by the Petitioner. Similarly, the development of the Project requires the initial construction by the Petitioner of public facilities, substantial front-end investment in on-site and off-site improvements, dedications of land, and participation in other programs for public benefit and purposes. The Petitioner's investment will include the phased construction of on- and off-site improvements necessary to support the development of the Property, funding for a Town Planner, and financial contributions to a Town revitalization fund to continue the viability of the traditional town center in the context of the large development, and funding for a start up police

department. The Town recognizes the Petitioner will make substantial commitments of the resources to achieve both private benefits of the Project for the Petitioner and the public purposes and benefits of the Project for Town. Petitioner will be unable to make and realize the benefits from such commitments of land and resources without the vested rights and assurances provided by this Agreement. Town has determined that the granting of such assurances is necessary to enable Petitioner to undertake the development of the Project and thereby achieve the public purposes and benefits to the Town from the Project.

N. By entering into this Agreement, Town desires to obtain the binding agreement of Petitioner to develop the Property, if at all, in accordance with the Annexation Agreement, the Planned Neighborhood District, any Development Approvals, and the terms of this Agreement, and to provide the benefits that will accrue to the Town and the general public in accordance with the Annexation Agreement and this Agreement. In consideration therefor, Town agrees to exercise its governmental and proprietary functions for the purpose of accomplishing the objectives and performance of the Annexation Agreement and this Agreement, and to vest any Development Approvals granted or required as the result of this Agreement.

O. The general benefits to be received by Town from the implementation of this Agreement include, without limitation:

(1) Implementation of the Comprehensive Plan and furthering its goals for mixed-use, master-planned development of the Town's growth area consistent with the Planned Neighborhood District;

(2) Establishing cohesion between site plans, design elements, land uses, architecture, site engineering and landscape architecture;

(3) Providing the Petitioner with sufficient certainty and predictability in the development process to induce Petitioner to incur substantial commitments to public infrastructure and amenities;

(4) Ensuring that Petitioner provides public improvements, facilities, and services as set forth in the Annexation Agreement and in this Agreement;

(5) Ensuring the construction of on- and off-site improvements to facilitate development and occupancy of the Project, thereby furthering Town goals and objectives for economic development;

(6) Accepting, at the Town's sole discretion, the dedication of infrastructure facilities completed and available for public use in advance of when these facilities would be constructed with the incremental development of the Project.

P. By entering into this Agreement, Petitioner desires to obtain the binding agreement of Town to permit development of the Property in accordance with the Planned Neighborhood District, the Annexation Agreement and this Agreement. This Agreement will eliminate uncertainty in the planning process, provide for the orderly development of the

Property for both public and private use, and generally serve the purposes for which development rights and responsibilities agreements are intended under the Development Agreement Statute.

Q. The general benefits to be received by Petitioner from the implementation of this Agreement include, without limitation:

(1) Obtaining sufficient certainty and predictability in the development process to justify the required substantial up-front investment in the public and private infrastructure for a phased Project requiring several years to complete;

(2) Realization of the opportunity to provide Town with new kinds of residential and commercial development that are consistent with the goals and objectives of the Comprehensive Plan;

(3) Development rights for 2,262-2,501 residential units and such other uses as permitted by the Existing Land Use Regulations.

R. Town and Petitioner acknowledge and agree that the provisions of this Agreement are fair, just and reasonable and the assurances provided by this Agreement provide the certainty that is needed for Petitioner to make the long-term commitments involved in developing the Property and providing the benefits to Town and the general public.

S. On November 16, 2005, after a duly noticed public hearing, the Planning Commission considered and recommended approval of this Agreement by Resolution No. 2005-2, a copy of which is attached hereto as Exhibit A. The Planning Commission's recommendation is based, in part, upon its determination that the terms, provisions, conditions and obligations in this Agreement are consistent with Town's Comprehensive Plan.

T. On October 12, October 26, November 16, December 7, 2005, and January 4, 2006, the Town Council considered this Agreement, the recommendations of the Planning Commission and public comments. On February 1, 2006, the Town Council approved this Agreement by Ordinance No. 8-2005 ("Approving Ordinance"), a copy of which is attached hereto as Exhibit B, after a duly noticed public hearing. The Approving Ordinance, which is incorporated herein, contains a statement, with references to specific provisions of applicable law, regulations or plans, that the proposed development is consistent with the applicable development regulations and the Comprehensive Plan.

U. This Agreement is intended to be, and should be construed as, a Development Rights and Responsibilities Agreement within the meaning of the Development Agreement Statute and the Enabling Ordinance. Town and Petitioner have taken all actions mandated by and have fulfilled all requirements set forth in the Development Agreement Statute and the Enabling Ordinance, including requirements for notice, public hearings, findings, votes, and other procedural matters.

V. All parties entered into this Agreement voluntarily and in consideration to the benefits of and the rights and obligations of the parties.

NOW, THEREFORE, in consideration of the foregoing recitals, which are not merely prefatory but are hereby incorporated into and made a part of this Agreement, and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, Town and Petitioner hereby agree as follows:

AGREEMENT

1. Definitions and Exhibits

1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or if the context otherwise requires, the following terms shall have the following meanings:

1.1.1. "Agreement" means this Development Rights and Responsibilities Agreement, as it may be amended from time to time, including all addenda, schedules and exhibits incorporated by reference.

1.1.2. "Annexation" means the annexation effectuated by Town Resolution No. 7-2002, which extended the Town boundaries to include approximately 924.2 acres of land, including the Property subject to this Agreement, and which was affirmed by a majority vote of the citizens of Trappe by referendum held on April 21, 2003.

1.1.3. "Annexation Agreement" means the annexation agreement, dated February 5, 2003, by and between Town and the then owners and contract purchasers of portions of the land subject to the Annexation, which Annexation Agreement was recorded among the County Land Records on July 30, 2003 at Liber 1173, folio 452.

1.1.4. "Approved Phases" means those increments of the Project which have received PUD Plan Approval by the Town Council as of the Effective Date of this Agreement.

1.1.5. "Building and Improvement Standards" means the generally applicable regulations, standards and policies of the Town and any applicable state and federal regulations for the construction and installation of buildings, structures, facilities and associated improvements including, without limitation, Town's building code, plumbing code, electrical code, mechanical code, fire code and public utilities codes, standards, and policies.

1.1.6. "Completion" or "complete" mean the completion of the applicable work and improvements in accordance with all applicable Governmental Rules and substantially in accordance with the plans and specification and other requirements, such that, subject only to minor punch-list type items, all such work and improvements are finally complete and regardless of such punch-list type items, all improvements are ready for use for their intended purposes and are fully capable of such use.

1.1.7. "County" means Talbot County, a political subdivision of the State.

1.1.8. "County Land Records" means the Land Records for Talbot County, Maryland, as maintained by the Clerk of the Circuit Court for Talbot County, Maryland.

1.1.9. "Petitioner" means, collectively and/or individually, TRAPPE EAST LLC, LUTHY PROPERTIES LLC, LYONS TRAPPE LLC, WHITEMARSH FARM LLC, TRAPPE OCEAN GATEWAY LLC, BARBER ROAD ADDITION LLC, TRAPPE WISE LLC and SLAUGHTER LAND LLC, all limited liability companies organized under the laws of Maryland and qualified to do business in Maryland, and their successors and assigns to all or any part of the Property.

1.1.10. "Development" and "develop" mean the improvement of the Property for the purposes of completing the buildings, structures, facilities and associated improvements comprising the Project including, but not limited to, demolition of existing buildings and structures, grading or excavation; construction of infrastructure and public facilities related to the Project, whether located within or outside the Property; construction of buildings and structures; and installation of landscaping.

1.1.11. "Development Agreement Statute" means the state enabling legislation authorizing the Town to enter into this Agreement that is codified at Article 66B, Section 13.01 of the Annotated Code of Maryland.

1.1.12. "Development Approvals" means all permits, approvals, actions, and other entitlements approved or issued by Town in connection with development of the Property including, but not limited to:

- (a) Establishment of a Planned Neighborhood ("PN") zoning district for the Property;
- (b) PUD Plan approval for any Phase(s) of Development of the Property;
- (c) Lot line adjustments and/or preliminary and final subdivision plats;
- (d) Special exception approvals;
- (e) Sewer and/or water reservations or allocations;
- (f) Development permits;
- (g) Variances;
- (h) Street vacations;
- (i) Site plan approvals;
- (j) Special taxing and/or financing districts;
- (k) Grading permits;
- (l) Building permits; and
- (m) Occupancy permits.

1.1.13. "Development Plan" means the Existing Development Approvals and the Existing Land Use Regulations applicable to development of the Property.

1.1.14. "EDU" means equivalent dwelling unit.

1.1.15. "Effective Date" means the date the last of all the parties hereto executes this Agreement, provided that this Agreement is recorded in the County Land Records within twenty (20) days after being fully executed.

1.1.16. "Enabling Ordinance" means Ordinance No. 2-2003, and any amendments thereto, adopted by the Town Council pursuant to the Development Agreement Statute, to establish procedures and requirements for the consideration and enforcement of development rights and responsibility agreements.

1.1.17. "Execution Date" means, with respect to each party, the date on which the party executes this Agreement.

1.1.18. "Existing Development Approvals" means all Development Approvals approved or issued prior to the Effective Date. Existing Development Approvals include the Development Approvals incorporated herein as Exhibit "F" and all other Development Approvals that are a matter of public record on the Effective Date.

1.1.19. "Existing Land Use Regulations" means those certain Land Use Regulations in effect on the Effective Date.

1.1.20. "Governing Policies" means: (i) the policies specified in Section 4 and (ii) Existing Land Use Regulations.

1.1.21. "Governmental Authority" means any applicable federal, state, county or Town governmental entity, authority or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof) with jurisdiction over the Project.

1.1.22. "Governmental Rules" means the policies, laws, rules, regulations and ordinances of any Governmental Authority.

1.1.23. "HOA" means the one or more community or homeowners' association(s) created by Petitioner to own, operate, manage and/or maintain various components of the Project.

1.1.24. "Land Use Regulations" means all ordinances, resolutions, codes, rules, regulations, policies, exactions, entitlements, assessments, fees and official policies of the Town governing the development and use of land, including, without limitation, the permitted use of land; the density or intensity of use; subdivision requirements; the maximum height and size of proposed buildings; development exactions; regulations regarding the rate, time or sequence of development; and the design, improvement and construction standards and specifications applicable to the development of the Property. "Land Use Regulations" includes the Town's zoning ordinance, Planned Neighborhood District, subdivision regulations, development moratoria and growth management and phased development programs, ordinances establishing development exactions, and Building and Improvement Standards.

1.1.25. "Mortgage" means any mortgage or deed of trust granted by an owner encumbering real property, encumbering any other security interest therein existing by virtue of any other form of security instrument or arrangement used from time to time in the locality of the Property (including any such other form of security arrangement arising under any deed of trust, sale and leaseback documents, lease and leaseback documents, security deed or conditional deed, or any financing statement, security agreement or other documentation used pursuant to the provisions of the Uniform Commercial Code or any successor or similar statute); provided that such mortgage, deed of trust or other form of security instrument, and any instrument evidencing any such other form of security arrangement, has been recorded among the County Land Records.

1.1.26. "Mortgagee" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other secured lender, and their successors and assigns.

1.1.27. "Parties" or "Party" mean the parties or a party to this Agreement, being Town and/or Petitioner, collectively or individually, respectively, and their successors and assigns.

1.1.28. "Phase" means any discrete portion of the Project, including a commercial, residential, or mixed-use neighborhood, for which specific PUD Plan and/or subdivision approval is sought.

1.1.29. "Planning Commission" means the Planning Commission of the Town created and constituted pursuant to Article 66B of the Annotated Code of Maryland.

1.1.30. "Planned Neighborhood District" means the Planned Neighborhood District Floating Zone which was enacted by the Town on November 5, 2003, and which the Town applied to the Property on February 1, 2006.

1.1.31. "Project" means the development of the Property as provided by the Development Plan and as such Development Plan may be further defined, enhanced or modified pursuant to the provisions of this Agreement or subsequent Agreements applicable to any specific phase of the Project, or as finally approved by appropriate Town agencies.

1.1.32. "Project Completion" means the time at which Petitioner has completed development and construction of the Project, including any subsequently approved regional commercial uses.

1.1.33. "Property" means that certain real property located in Trappe, Maryland, that is subject to this Agreement, as defined in Section 2.2 below.

1.1.34. "Public Facilities" means those certain portions of the Property and appurtenant improvements to be dedicated or conveyed to the public or to the Town of Trappe by Petitioner as set forth in Section 5, including right-of-ways, road improvements, storm drains (including retention and drainage structures) and water and sewer facilities (including pump stations, wells, water tower and treatment facilities).

1.1.35. "Reservations of Authority" means the rights and authority excerpted from the assurances and rights provided to Petitioner in Section 4 and reserved to Town therein.

1.1.36. "Residential Building Permit" means a building permit issued by the Town for the construction of a dwelling or group of dwellings.

1.1.37. "Residential Dwelling Unit" means any primary residential dwelling unit constructed on the Property, including a single-family detached or attached home, townhouse, apartment, or residential condominium, but excluding any accessory residential use, such as in-law apartments, and commercial uses, such as hotel or bed and breakfast rooms.

1.1.38. "Subsequent Development Approvals" means all Development Approvals required subsequent to the Effective Date in connection with development of the Property, or any Phase thereof, that are consistent with the Development Plan.

1.1.39. "Subsequent Land Use Regulations" means any Land Use Regulations adopted and effective after the Effective Date.

1.1.40. "State" means the State of Maryland.

1.1.41. "Term" means the term of this Agreement as set forth by Section 2.

1.1.42. "Third Party" means any person or legal entity not a party to this Agreement.

1.1.43. "Town" means the "The Town of Trappe", a municipal corporation, organized and existing under the laws of the State, together with its successors and assigns.

1.1.44. "Town Council" means "The Council of Trappe", or the Commissioners of Trappe, acting collectively, which is vested, as the governing body of Town, with all legislative and executive powers of Town.

1.1.45. "Traffic Report" means any traffic impact analysis of the Project that is accepted and approved as a governing document by the Town.

1.1.46. "Wastewater and Water Facility Plan" means any wastewater and water facility plan approved by the Town, which has been prepared by a consulting engineer engaged by the Town to analyze or make recommendations concerning wastewater treatment or water treatment and water distribution systems related to the Project.

1.2 Exhibits

- A. Planning Commission Resolution
- B. Town Council Ordinance
- C. Plat Showing Property
- D. Legal Description of Property

- E. Petitioner's Property Interests
- F. Existing Development Approvals
- G. Assignment and Assumption Agreement Form
- H. Estoppel Certificate Form
- I. Public Works Equipment Specifications
- J. Public Open Space Exhibit
- K. Trail Construction Exhibit

2. General Provisions

2.1 Parties. The parties to this Agreement are the Town and Petitioner.

2.2 Property. The real property that is subject to this Agreement is as set forth below:

- a. Tax Map 55, Parcel 17
- b. Tax Map 55, Parcel 19
- c. Tax Map 55, Parcel 65
- d. Tax Map 55, Parcel 44
- e. Tax Map 55, Parcel 15
- f. Tax Map 59, Parcel 4
- g. Tax Map 55, Parcel 83
- h. Tax Map 55, Parcel 14
- i. Tax Map 59, Parcel 1
- j. Tax Map 55, Parcel 66
- k. Tax Map 54, Parcel 169

and as more specifically depicted by Exhibit C and described by metes and bounds, courses and distances in Exhibit D.

2.2.1 The persons having an equitable or legal interest (including lienholders) in the Property as of the Execution Date are as follows:

- a. John F. Luthy III, Deborah B. Luthy, and John F Luthy, III, Daniel W. Luthy and Marilyn H. Luthy, General Partners of Luthy Farms Limited Partnership, having a legal interest in the properties identified by Sections 2.2 (a) and (b);
- b. John F. Luthy III and Deborah B. Luthy, having a legal interest in the property identified by Section 2.2(c);
- c. Luthy Properties LLC, having an equitable interest in the properties identified by Sections 2.2(a), (b) and (c);
- d. Fox Hall, Inc., having a legal interest in the property identified by Section 2.2(d);
- e. Trappe East LLC, having an equitable interest in the property identified by Section 2.2(d);
- f. W. Harold Lyons and Patricia M. Lyons, having a legal interest in the property identified by Section 2.2(e);
- g. Lyons Trappe LLC, having an equitable interest in the property identified by Section 2.2(e);

- h. White Marsh Farm One, LLC, having a legal interest in the property identified by Section 2.2(f);
- i. White Marsh Farm Two, LLC, having a legal interest in the property identified by Section 2.2(g);
- j. White Marsh Farm LLC, having an equitable interest in the properties identified by Sections 2.2(f) and (g);
- k. 4313 Ocean Gateway, LLC, having a legal interest in the property identified by Section 2.2(h);
- l. Trappe Ocean Gateway LLC, having an equitable interest in the property identified by Section 2.2(h);
- m. Sidney S. Campen, Jr. and Patricia E. Campen having a legal interest in the property identified by Section 2.2(i);
- n. Barber Road Addition LLC, having an equitable interest in the property identified by Section 2.2(i);
- o. Estelle Slaughter and Elizabeth Slaughter, having a legal interest in the Property identified by Section 2.2(j);
- p. Slaughter Land LLC, having an equitable interest in the property identified by Section 2.2(j);
- q. Wise Oil & Fuel, Inc., having a legal interest in the property identified by Section 2.2(k);
- r. Trappe Wise LLC, having an equitable interest in the property identified by Section 2.2(k);
- s. Deed of Trust from John F. Luthy III and Deborah B. Luthy to trustees securing Chesapeake Farm Credit, ACA, P.O. Box 40, East New Market, Maryland 21631, in the principal amount of \$141,500.00, recorded in Liber 836, folio 776, in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(c);
- t. Deed of Trust and Security Agreement to Harold S. Robbins and David H. Leonard, Trustees, securing Bank of the Eastern Shore, 301 Crusader Road, Cambridge, Maryland 21613, in the principal amount of \$225,000.00, recorded in Liber 1192, folio 307, in the Land Records of Talbot County, Maryland, being a lien holder on Parcel 1 of the property identified by Section 2.2(d);
- u. Deed of Trust and Security Agreement from 4313 Ocean Gateway, LLC to trustees securing Bank of the Eastern Shore, 301 Crusader Road, Cambridge, Maryland 21613, in the principal amount of \$475,000.00, recorded in Liber 979, folio 782 in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(h);
- v. Financing Statement from 4313 Ocean Gateway, LLC to Bank of the Eastern Shore, 301 Crusader Road, Cambridge, Maryland 21613, recorded in Liber 984, folio 435 in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(h);
- w. Deed of Trust and Security Agreement from 4313 Ocean Gateway, LLC to trustees securing Bank of the Eastern Shore, 301 Crusader Road, Cambridge, Maryland 21613, in the principal amount of \$200,000.00, recorded in Liber 993, folio 225 in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(h);
- x. Financing Statement from 4313 Ocean Gateway LLC to Bank of the Eastern Shore, 301 Crusader Road, Cambridge, Maryland 21613, recorded in Liber 994, folio 549 in the

Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(h);

y. Deed of Trust from 4313 Ocean Gateway, LLC to trustees securing Easton Bank and Trust Company, Main Office, 501 Idlewild Avenue, Easton, Maryland 21601, in the principal amount of \$100,000.00, recorded in Liber 1271, folio 008 in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(h);

z. Assignment of Rents from 4313 Ocean Gateway, LLC to trustees securing Easton Bank and Trust Company, 501 Idlewild Avenue, Easton, Maryland 21601, recorded in Liber 1271, folio 015 in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(h);

aa. Purchase Money Deed of Trust from Sidney S. Campen and Patricia E. Campen to trustees securing St. Michael's Bank, 213 Talbot Street, St. Michaels, Maryland 21663, in the principal amount of \$360,000.00, recorded in Liber 1193, folio 959 in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(i);

bb. Line of Credit Deed of Trust from D. Estelle Slaughter and Elizabeth Slaughter to trustees securing Maryland National Bank, P.O. Box 630, Easton, Maryland 21601, in the principal amount of \$22,000.00, recorded in Liber 622, folio 32 in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(j);

cc. Credit Line Deed of Trust from D. Estelle Slaughter and Elizabeth Slaughter to trustees securing Maryland National Bank, 225 North Calvert Street, Baltimore, Maryland 21202, in the principal amount of \$25,000.00, recorded in Liber 627, folio 937 in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(j);

dd. Partial Assignment of Mortgage/Deed of Trust recorded in Liber 627, folio 937, from Maryland National Bank, 10 Light Street, Baltimore, Maryland 21203, to The First National Bank of Chicago, 1 First National Plaza, Suite 0126, Chicago, Illinois 60670, as trustee for the MNB Home Equity Loan Asset Backed Certificates Series 1989-1 recorded in Liber 694, folio 327, in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(j);

ee. Assignment of Security Deeds from The First National Bank of Chicago, 1 First National Plaza, Suite 0126, Chicago, Illinois, 60670, to Chemical Bank, 55 Water Street, New York, New York 10041, as trustee, recorded in Liber 745, folio 644 in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(j);

ff. Deed of Trust from Elizabeth Slaughter and D. Estelle Slaughter to trustees securing Nationsbank, N.A., Nationsbank/REAU, P.O. Box 26866, Richmond, VA 23261, in the principal amount of \$47,000.00, recorded in Liber 920, folio 463, in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(j);

gg. Financing Statement from Wise Oil and Fuel, Inc. to The National Bank of Cambridge, P.O. Box 550, Cambridge, Maryland 21613, recorded in Liber 1004, folio 103 in the Land Records of Talbot County, Maryland, being a lien holder on the property identified by Section 2.2(k).

2.3 Effective Date; Conditions; Commencement of Rights and Obligations. This Agreement shall be effective, and confer all rights and obligations according to the terms of this Agreement, on the Effective Date of this Agreement.

2.4 Binding Effect of Agreement. The Property is hereby made subject to this Agreement. The Petitioner shall be permitted to develop the Project in accordance with the Planned Neighborhood District with 2,262-2,501 residential units. The specific residential density for each Phase will be established and approved at the time that the Petitioner receives PUD Plan approval for that Phase. Prior to development of a portion of the Property, Petitioner shall obtain PUD Plan approval for the Phase(s) of the development from the Town, except that this Section does not prevent Petitioner from extending utilities to subsequent Phase(s) prior to PUD Plan approval for such Phase(s), at Petitioner's risk. To the extent that Development of the Project occurs, it shall be carried out in accordance with the terms of this Agreement. The burdens and benefits of this Agreement are binding upon the Property, and the burdens and benefits of the Agreement constitute covenants that run with the land. This Agreement is intended to vest Petitioner's right to build the Project consisting of 2,262-2,501 residential dwelling units and additional commercial and recreational uses (excluding regional commercial uses), to be constructed in conjunction with performance of the within obligations, as applicable, and in accordance with the conditions of PUD Plan approval(s) in specific phases.

2.5 Term.

2.5.1. *Term.* Except as to those Provisions of this Agreement which specifically provide for a longer duration, the term of this Agreement shall commence on the Effective Date and shall continue for a period of thirty (30) years thereafter, unless this term is modified, extended, or terminated pursuant to the provisions of this Agreement.

2.5.2. *Justification.* Parties acknowledge and agree that the substantial economic investment made by Petitioner for the provision of public and private services, the benefits and amenities provided to Town, the uncertainty of future market demands, and the public purposes to be advanced by completion of the Development in accordance with the 2002 Comprehensive Plan of the Town of Trappe and expectations of the Parties justify the Term of the Agreement.

2.5.3. *Extension of Term Upon Legal Challenge.* If any litigation is filed challenging any of the Development Approvals, or otherwise raising issues of the validity of any of the Development Approvals or the enforceability, validity or binding nature of this Agreement, the Term of this Agreement shall be extended for the period of time from the date of the filing of such litigation until the conclusion of such litigation by dismissal or final entry of judgment, and Petitioner or Town may record a notice to indicate the period of any such extension.

2.5.4. *Tolling of Term for Excusable Delay.* The Term of this Agreement and time for performance by either Party of any of its obligations hereunder shall be extended by the parties for the period of time that an Excusable Delay described by Section 16 prevented such performance, or longer as may be required by circumstances or as may be agreed to between the Parties.

2.5.5. *Tolling of Term for Moratoria.* Without limitation of any provision of Section 4.1.11, any moratoria enacted by Town that affect or apply to the Project or the Property shall toll the Term of this Agreement during the period that such moratoria affect or apply to the Project or the Property.

2.5.6. *Tolling of Term During Conflict of Law Suspension.* The Term of this Agreement shall be tolled during the period that any suspension of the Agreement imposed by Section 19 is in full force and effect.

2.5.7. *Rule Against Perpetuities.* If any provision of this Agreement shall be unlawfully void or voidable for violation of the Rule Against Perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England. Notwithstanding any provision to the contrary, the Term of this Agreement shall not be extended under any circumstances for a period that would cause this Agreement or any provision hereof to be void as violating the Rule Against Perpetuities.

2.6. Transfer and Assignment of Rights and Interests.

2.6.1. *Assignment.* Except with respect to individual lots in relation to which this Agreement has terminated pursuant to Section 15.2, Petitioner may only sell, assign or transfer its rights and obligations under this Agreement pursuant to a conveyance of some or all of the Property, or any portion thereof, to any person, natural or legal, at any time during the Term of this Agreement, without approval of Town. However, the Town shall have no obligation to issue Subsequent Development Approvals unless and until the applicant (other than Petitioner) for such approvals has completed or demonstrated to the reasonable satisfaction of the Town the financial ability to perform and complete the obligations of this Agreement and the Annexation Agreement. The Town may require appropriate security or surety as a condition of any Development Approvals. Any purchaser or transferee shall have and be subject to all of the rights and obligations of Petitioner under this Agreement insofar as such rights and obligations are applicable to the portion of the Property sold or transferred.

2.6.2. *Constructive Notice and Acceptance.* Except with respect to individual lots in relation to which this Agreement has terminated pursuant to Section 15.2, every person who, now or hereafter, owns or acquires any right, title or interest in or to the Property, or part thereof, is, and shall be, conclusively deemed to have consented and agreed to be bound by every provision contained in this Agreement and the Annexation Agreement applicable to all or the portion of the Property acquired, whether or not any reference to these Agreements is contained in the instrument by which such person acquired such right, title or interest.

2.6.3. *Release of Petitioner.* Upon the delegation of the duties and obligations under this Agreement and the sale, transfer or assignment of all or any portion of the Property, Petitioner will be released from obligations arising under and subsequent to the effective date of such transfer of this Agreement with respect to the Property, or portion thereof, so transferred if: (i) Petitioner has provided to Town prior written notice of the proposed transfer, and (ii) the

transferee has agreed in writing with the Town to be subject to all of the provisions hereof applicable to the portion of the Property so transferred by executing an Assignment and Assumption Agreement substantially in the form of Exhibit G, and (iii) and the transferee has demonstrated or otherwise provided to the Town the financial security or surety necessary to assure the completion of any amenities or infrastructure and the obligations of the Petitioner agreed or necessary to support the development of the portion of the Property so transferred, and (iv) counsel for the transferor/Petitioner has provided a legal opinion for the benefit of the Town that the provisions of this Agreement run with and bind the Property for the performance of this Agreement. Failure to provide a written assumption agreement shall not negate or otherwise affect the liability of the transferee to perform such duties and obligations, all of which are intended to be conditions to any Subsequent Development Approvals or final occupancy permits.

Upon any transfer of any portion of the Property and the express assumption of Petitioner's obligations under this Agreement by such transferee, and compliance with the preceding paragraph, the Town agrees to look solely to the transferee for compliance by such transferee with the provisions of this Agreement as such provisions relate to the portion of the Property acquired by such transferee. Any such transferee shall be, with respect to the portion of the Property transferred, entitled to the benefits as, and subject to the obligations of, "Petitioner" hereunder. A default by any transferee shall only affect that portion of the Property owned by such transferee.

Any transferee shall be responsible for satisfying the good faith compliance requirements set forth in Section 13 relating to the portion of the Property owned by such transferee. Any amendment to this Agreement between Town and a transferee shall only affect the portion of the Property owned by such transferee. Nothing contained herein shall be deemed to grant to Town discretion to approve or deny any sale or transfer, except as otherwise expressly provided in this Agreement.

2.7. Amendment and Waiver.

2.7.1. *Writing Required.* This Agreement may be waived or amended in whole or in part, only by written consent of Town and Petitioner in accordance with the procedures set forth by Section 2.7.1. Waiver or amendment of this Agreement with respect to only a portion of the Property shall require the consent of the Trappe Town Council and only such other parties (one or more of the entities defined herein as "Petitioner" and/or its successors or assigns) as own the portion(s) of the Property that are subject to the waiver or amendment. All such writings shall be signed by the appropriate officers of Town and Petitioner and in a form suitable for recordation in the County Land Records, and shall be recorded in the County Land Records. This provision shall not limit any remedy of Town or Petitioner as provided by this Agreement.

2.7.2. *Procedure.* The Parties may only amend this Agreement in accordance with the procedures of the Development Agreement Statute and Enabling Ordinance, and following a determination by the Planning Commission whether the amendment is consistent with the Comprehensive Plan.

2.8. Notices. All notices and other communications in connection with this Agreement shall be in writing. By notice complying with the requirements of this Section, each Party may change the address or addressee or both for all future notices and communications to such Party, but no notice of a change of address shall be effective until actually received.

Notices and communications to Petitioner shall be addressed to, and delivered at, the following addresses:

Trappe East Petitioner-DRRA
c/o Rocks Engineering Company
1960 Gallows Road
Suite 300
Vienna, Virginia 22182
Telephone (703) 556-4000
Attn: Nicholas P.H. Rocks

with copies to:

Trappe East Petitioner-DRRA
c/o Miles & Stockbridge P.C.
101 Bay Street
Easton, Maryland 21601
Telephone (410) 822-5280
Attn: John H. Murray, Esquire and
Ryan D. Showalter, Esquire

Robert D. Rauch & Associates, Inc.
28466 Waterview Drive
Easton, Maryland 21601
Telephone (410) 770-3666
Attn: Robert D. Rauch

Notices and communications to Town shall be addressed to, and delivered at, the following addresses:

The Town of Trappe
P.O. Box 162
4011 Powell Avenue
Trappe, Maryland 21673-0162
Telephone (410) 476-3170
Attn: President, Town Council
with copies to the Town Council

with a copy to:

Cowdrey, Thompson & Karsten, P.A.
130 N. Washington Street
Easton, Maryland 21601
Telephone (410) 822-6800
Attn: David R. Thompson, Esquire and
Brynja M. Booth, Esquire

Notice shall be accomplished only in accordance with one of the following procedures, and shall be effective, in all cases, upon actual receipt or refusal to accept:

- (a) By personal (hand) delivery to a Party, and if a Party is an entity, to an adult representative of such Party, at the street address for the Party;
- (b) By United States certified or registered mail, postage prepaid, with return receipt requested; or
- (c) By a nationally-recognized delivery service company to the street address with written proof of delivery.

Facsimile and email communications shall not constitute notice. In the event any applicable statute, law, rule or regulation requires notice to be delivered in a particular manner, or to a particular address for a Party, such statute, law, rule or regulation shall control, unless the

requirements of such statute, law, rule or regulation can be waived, in which case all Parties hereby waive such requirements.

2.9. Amendment of Annexation Agreement. The Agreement shall be considered supplemental to the Annexation Agreement, but shall not be construed to waive any requirement of the Petitioner set forth in the Annexation Agreement. The Parties intend that the provisions of this Agreement supplement and further define the obligations established by the Annexation Agreement, based upon the significant additional information currently available to the Parties, including detailed land and facility planning and assessment of impacts of residential development of the Project. In the event of any judicially determined inconsistency between this Agreement and the Annexation Agreement, the provisions that provide the greatest benefit to the Town shall be given effect.

3. Representations, Warranties and Certifications

3.1. By Both Parties.

3.1.1. *Procedural Sufficiency.* Town and Petitioner hereby acknowledge and agree that all required notices, meetings, and hearings have been properly given and held by Town with respect to the approval of this Agreement and agree not to challenge this Agreement or any of the obligations or rights created by it on the grounds of any procedural infirmity or any denial of any procedural right.

3.1.2. *Town Council Approval of Future Agreements.* Notwithstanding anything to the contrary set forth in this Agreement, Petitioner and Town acknowledge and agree that any contracts or agreements contemplated to be entered into by Town under the terms of this Agreement that are not attached as exhibits hereto will be subject to the prior approval of the Town Council, if the approval of the Town Council is required under the terms of the Town Charter or other applicable law.

3.2. Town. Town hereby makes the following representations, warranties and covenants to and with Petitioner as of the Execution Date unless another date is expressly stated to apply:

(a) *Existence.* Town is a municipal corporation of the State situated in the County.

(b) *Power and Authority.* The execution and performance by Town of this Agreement has been duly authorized by a Town resolution, adopted in conformity with the Town Charter, Development Agreement Statute and Enabling Ordinance.

(c) *Litigation.* To the knowledge of Town, there are no legal actions or proceedings pending or threatened against the Town or its agencies which, if adversely determined, would materially and adversely affect the ability of Town to fulfill its obligations under this Agreement.

(d) *Enforceable Obligations.* Assuming due authorization, execution and delivery by Petitioner, this Agreement, each document executed by Town pursuant hereto and all obligations of Town hereunder and thereunder are enforceable against Town in accordance with their terms, except as such enforcement may be limited by laws affecting the enforcement of creditor's rights and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

3.3. Petitioner. Petitioner hereby makes the following representations, warranties and covenants to and with Town as of the Execution Date unless another date is expressly stated to apply:

(a) *Existence.* All entities referred to herein collectively and individually as "Petitioner" are limited liability companies duly organized and legally existing under the laws of the State, and qualified to transact business in the State.

(b) *Authorization.* Petitioner is duly and legally authorized to enter into this Agreement and has complied with all laws, rules, regulations, charter provisions and bylaws relating to its corporate existence and authority to act, and the undersigned is authorized to act on behalf of and bind Petitioner to the terms of this Agreement. Petitioner has all requisite power to perform all of its obligations under this Agreement. The execution of this Agreement by Petitioner does not require any consent or approval that has not been obtained.

(c) *Ownership of Property.* Petitioner hereby certifies that it is the owner of a legal or equitable interest in the Property, copies of the documents establishing such interest are included as Exhibit E.

(d) *Litigation.* To the knowledge of Petitioner, there are no legal actions or proceedings pending or threatened against Petitioner which, if adversely determined, would materially and adversely affect the ability of Petitioner to fulfill its obligations under this Agreement.

(e) *Enforceable Obligations.* Assuming due authorization, execution and delivery by Town, this Agreement, each document executed by Petitioner pursuant hereto and all obligations of Petitioner hereunder and thereunder are enforceable against Petitioner in accordance with their terms, except as such enforcement may be limited by laws affecting the enforcement of creditor's rights and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(f) *Financial Resources.* Petitioner warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet all of its obligations under this Agreement and the Annexation Agreement.

4. Regulation of Development.

4.1. Development. The following policies set forth in this Section 4 shall govern the subdivision, development and use of the Property and are consistent with and/or are provided for in or contemplated by the Existing Land Use Regulations and the Existing Development Approvals.

4.1.1. *Permissible uses of the Property; Density and Intensity of Use.* Petitioner may develop the Property at the density and intensity permissible under the Planned Neighborhood District, subject to obtaining PUD Plan approval for each Phase of the Project, and subject to compliance with the Petitioner's obligations hereunder and compliance with all valid conditions and prerequisites for all necessary Development Approvals. Although the Development Plan reserves a portion of the Property for development of regional commercial uses the Parties agree that the regional commercial aspect of the Project, except for its location, has not been addressed or limited by this Agreement. This Agreement and the Existing Land Use Regulations do not and are not intended to address the specific uses or intensity of use of the area proposed for regional commercial development, which is excluded from the terms of this Agreement and which will be subject to a separate development rights and responsibilities agreement at the appropriate time.

4.1.2. *Rights to Develop.* Petitioner shall have vested rights, to the maximum extent allowed under State law, including the Development Agreement Statute, to develop the Property in accordance with, and to the maximum extent allowed by, the Planned Neighborhood District, Existing Development Approvals and this Agreement. Notwithstanding anything herein to the contrary, this Agreement does not, and shall not be construed to, abrogate any rights that may vest pursuant to common law. In addition, Petitioner is provided and assured the vested right to require that the Land Use Regulations of Town applicable to and governing the Development of the Property during the Term hereof shall be as provided by Section 4.4. Except as otherwise provided in this Agreement, the permitted uses of the Property, the density and intensity of uses, the maximum height and size of structures, and provisions for protection of sensitive areas and reservation and dedication of land for public purposes applicable to development of the Property shall be those set forth in or by the Planned Neighborhood District, Existing Land Use Regulations, Development Plan, and the Annexation Agreement.

4.1.3. *Building Standards.* All construction on the Property shall adhere to Town's generally applicable Building and Improvement Standards.

4.1.4. *Commitment to Local Builders and Trades.* Petitioner has the exclusive right to deal with builders, contractors, subcontractors and material suppliers of the Petitioner's choice, subject to Petitioner's agreement to employ local contractors, subcontractors and material suppliers provided that they are appropriately qualified and competitively priced. The Petitioner agrees that ten percent (10%) of the unimproved residential building lots within the Project shall be offered for sale to the public generally to facilitate construction diversity. For purposes of this paragraph, "public generally" includes individuals and small builders headquartered in Talbot County and its immediately surrounding counties, and "offered for sale" means listed on the market within 10 days of the date of lot recordation until the earlier of: (1) the date such lot is

sold to a member of the public generally, or (2) six (6) months after completion of base paving for the street on which such lot fronts.

4.1.5. *Exactions, Mitigation Measures, Conditions, Reservations and Dedications.* All Town exactions, mitigation measures, conditions, reservations and dedications of land for public purposes that are applicable to the Planned Neighborhood development, excluding the regional commercial uses, are set forth in this Agreement and the Annexation Agreement. This provision does not apply to stormwater management plans, which have not been submitted, reviewed or approved as of the date of this Agreement.

4.1.6 *Agreement Processing Fees.* Within sixty (60) days of the Effective Date of this Agreement, Petitioner shall pay all outstanding Town processing and review expenses, including reasonable legal expenses related to the preparation of this Agreement, if any.

4.1.7 *Application, Processing, Permit and Inspection Fees.* Petitioner agrees to pay all Town fees, including all engineering fees, attorney's fees, or other professional fees for processing applications for Development Approvals, plan reviews, building permits, inspections, and occupancy permits, generally applicable on a Town-wide basis for similar projects, at the rate and amount in effect at the time the fee is required to be paid.

4.1.8 *Development Phases/Subdivision Sections.* The Town will not review or approve development Phases or subdivision sections of the Property that exceed two-hundred sixty (260) residential lots, exclusive of any nonresidential lots. Parties acknowledge and agree that Petitioner may, sequentially and/or concurrently and in its discretion, elect to commence, maintain, continue, suspend or complete any subdivision plat review or approval and/or construction activities in one or more, contiguous or noncontiguous, portions and/or subdivision sections of the Property. The Parties agree that each Phase of development shall be implemented with a final subdivision plat for that particular Phase or section of the Project.

4.1.9 *HOA's.* There will be a minimum of three (3) HOA's. In addition, the Petitioner will divide any HOA greater than 300 residential units into individual districts of 300 units or less. Petitioner shall present the HOA documents for any Phase to the Town Council for review and approval before recording the same. The HOA documents for any Phase or portion of the Project will require the following after two or more districts exist and after the Petitioner relinquishes control of the HOA to the unit owners:

- (a) That each HOA district elect its own board;
- (b) That each HOA district board elect one or two of its board members to serve on the HOA Board of Directors;
- (c) That no district or HOA board member serve for more than one term; and
- (d) That the president or chairman of any HOA board be rotated annually among the various districts within the HOA.
- (e) No HOA Board of Directors shall consist of more than five (5) members.

4.1.10 *Population Diversity.* Petitioner recognizes the Town's goal to attract a diverse population of families who will contribute to the overall economic, cultural and social well-being of the Town of Trappe and the Talbot County community. Town recognizes

Petitioner's current intent to impose age restrictions upon certain Phases of the Project, in accordance with the Federal Housing for Older Persons Act (§§ 42 USC 3607 *et seq.*) and other applicable laws. The Parties agree that the maximum number of age restricted dwelling units created within the Project shall not exceed 50% of the total number of Residential Dwelling Units within the Project. With respect to any portion of the Project for which Petitioner intends to impose age restrictions, the Petitioner shall provide the Town with the proposed age restrictions applicable to any specific Phase or portion thereof as part of the subdivision plat approval process for such Phase. If Petitioner decides, subsequent to subdivision plat approval, to establish age restrictions for all or a portion of any Phase of the Project, Petitioner shall notify the Town of its intent and provide Town with the proposed age restrictions. Petitioner further agrees that at all times during the build-out of the Project, there will be lots or Residential Dwellings Units within a non-age restricted phase available for rent or purchase until 1,250 non-age restricted lots or Residential Dwelling Units are rented or under contract. Petitioner agrees that all lots or Residential Dwelling Units located within Phases 1B and 1C will be available for purchase or rent and occupancy without regard to age.

4.1.11 *Moratoria.* The Parties acknowledge and agree that this Agreement contemplates and provides for the development of the Project and that no moratorium, Land Use Regulations or other future ordinance, resolution or regulation imposing a limitation on the conditioning, rate, timing or sequencing of the development of property within Town and otherwise affecting the Property or any portion thereof shall apply to or govern the development of the Property, whether affecting parcel or subdivision plats, building permits, occupancy permits or other approvals to develop or use land issued or granted by Town, except as may be adopted pursuant to Section 4.5. In the event of any such moratorium, future ordinance, resolution, rule or regulation, unless adopted by Town as provided by Section 4.5, Petitioner shall continue to be entitled to apply for and receive approvals as contemplated by this Agreement and in accordance with the Applicable Development Rules.

4.1.12 *Project Name.* Petitioner intends to establish a common name for the Project ("Project Name"). As part of the subdivision plat approval process for the first Phase of development, the Petitioner shall submit the Project Name to the Town Council for review and approval. The Petitioner shall not use the Project Name until the same has been approved by the Town Council. The Town acknowledges that Petitioner will devote substantial resources to promote the Project Name and protect its value as a unique intellectual property right, which may include filing state and federal registrations for such name. The Parties therefore agree that upon approval by the Town of the Project Name, that Petitioner shall have the exclusive right to own, control and license the Project Name with respect to the Project and any additional parcels of land which Petitioner may acquire and develop; provided, however, that Town shall have no obligation to police the use, wrongful or otherwise, of the Project Name by third parties. The Town may use such Project Name for its own purposes in promoting the Town of Trappe.

4.1.13 *Cultural Resources.*

4.1.13.1 Archaeological Evaluation. A recognized archaeological expert conducted an archaeological survey to identify and evaluate any prehistoric sites located on the Property. The summary of this evaluation is reported in "Phase I Terrestrial Archaeological

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Survey of the Proposed East Trappe Annexation Project Area, Talbot County, Maryland”, prepared by Chesapeake Bay Watershed Archaeological Research Foundation, Inc., dated March 3, 2003 (the “Archaeological Survey”). Although the Archaeological Survey identified eleven archaeological sites, it concluded that none of the prehistoric sites constitute “significant” cultural resources and no further archaeological work is warranted at any site on the Property. Accordingly, Town and Petitioner agree that the Property contains no prehistoric sites that may provide information not currently available from similar sites in the region or that otherwise warrant preservation or detailed archaeological investigation.

4.1.13.2 Historic Structures. A recognized Architectural Historian has evaluated all historic structures located on the Property during November 2002 to determine whether any significant historic structures existed, and, if so, whether the preservation or restoration and maintenance of such structures are economically reasonable and feasible. Specifically, the structures of the White Marsh Farm and Wright’s Adventure were evaluated and reports were filed with the Maryland Historical Trust, collectively referred to as the “Historical Properties Reports.”

The Historical Properties Reports conclude that the White Marsh Farm “has reached an advanced stage of deterioration . . . is basically a ruin . . . [and] does not qualify for recognition by the National Register of Historic Places.” The Wright’s Adventure Farm dwelling does not qualify for nomination to the National Register of Historic Places “[d]ue to [its] plain, undistinguished nature.” Accordingly, Town and Petitioner agree that the Property contains no significant historic structures for which preservation or restoration and maintenance are economically reasonable and feasible.

The archaeological evaluation by the Chesapeake Bay Watershed Archeological Research Foundation, Inc. determined the location of a historic cemetery. During the Town’s PUD Plan review and approval for the Phase(s) in which such cemetery is located, the Petitioner shall present to Town for approval a plan to preserve or relocate the cemetery to a suitable cemetery or burial ground located within Talbot County, with appropriate decorum and protection and easement rights for access thereto by members of the public.

4.1.13. *Protection of Sensitive Areas*. Any disturbance of forested or wetland areas for development purposes shall be conducted in accordance with the PUD Plan(s) and applicable laws, regulations, and permits.

4.2 Duration of Development Approvals. Notwithstanding any provision of the Existing Land Use Regulations, all Existing Development Approvals and all Subsequent Development Approvals, shall remain valid and effective for all purposes during the Term of this Agreement, unless the expiration date is governed by Federal or State law or Petitioner consents in writing to an earlier expiration date.

4.3 Changes and Amendments to the Existing Development Approvals. The Parties agree that evolution, refinement and development of the Project may require changes to the Existing Development Approvals. In the event Petitioner finds that any such change is necessary or appropriate, Petitioner shall apply for an amendment to the Existing Development Approvals

to effectuate such change and Town shall promptly process and act on such application for an amendment. Amendments to the Existing Development Approvals that do not also require an amendment to the Land Use Regulations shall be reviewed for consistency with the Existing Land Use Regulations and the applicable Subsequent Land Use Regulations identified in Section 4.5. If approved, any such change in the Existing Development Approvals shall be incorporated herein as an addendum to Exhibit F, and may be further changed from time to time as provided in this Section.

Unless otherwise required by law, a change to the Existing Development Approvals shall be deemed "minor," and not require an amendment to this Agreement, provided such change does not add permitted uses of the Property that are substantially inconsistent with all of the uses permitted of the Property prior to the change. Any amendment to the Existing Development Approvals that is not "minor", as defined above, shall be deemed a "major" amendment and shall require an amendment to this Agreement. The parties understand and agree that the proposed regional commercial development site included within the Project is not addressed by any Existing Development Approvals, nor is it governed by this Agreement. All matters pertaining to the proposed regional commercial site shall be addressed in a separate development rights and responsibilities agreement.

4.4 Regulation of Development by Town. Notwithstanding any future action of Town, whether by ordinance, resolution, referendum, initiative, or otherwise, during the Term of this Agreement, the Town rules, regulations, and official policies applicable to and governing the use, density or intensity of use, or Development of the Property (excluding the Regional Commercial Area) shall be the Existing Land Use Regulations, together with amendments and additions adopted pursuant to the Reservations of Authority provided in Section 4.5.

4.5 Limitations, Reservations and Exceptions. Notwithstanding anything to the contrary set forth in Section 4.4 above, or elsewhere in this Agreement, and in addition to the Existing Land Use Regulations, and the requirements of the Annexation Agreement, the following Land Use Regulations adopted by Town hereafter shall apply to and govern the Development of the Property (collectively, the "Reservations of Authority"):

(a) *Non-Conflicting Subsequent Land Use Regulations.* Subsequent Land Use Regulations that are not in conflict or more stringent than with Existing Development Approvals or Existing Land Use Regulations;

(b) *Conflicting Subsequent Land Use Regulations.* Subsequent Land Use Regulations that conflict¹ with Existing Development Approvals or Existing Land Use Regulations, provided that the Petitioner has given the Town specific written consent to the application of such conflicting regulations to Development of the Property;

¹ To the fullest extent permitted by the Development Agreement Statute and the Enabling Ordinance, any Subsequent Land Use Regulation which increases the cost or limits the rate, timing or sequencing of Development of the Property shall be deemed to conflict with the Existing Development Approvals.

(c) *State and Federal Laws and Regulations.* Existing and future state and federal laws and regulations, together with any Land Use Regulations, programs and actions, or inaction, that are reasonably (taking into consideration, among other things, the provisions of this Agreement and the Annexation Agreement) adopted or undertaken by Town in order to comply with such state and federal laws and regulations; provided, that in the event that state or federal laws and regulations or related Land Use Regulations prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state and federal laws and regulations, and this Agreement shall remain in full force and effect to the extent that: (i) it is not inconsistent with such laws and regulations and (ii) performance of the remaining provisions would not be inconsistent with the intent and purposes of this Agreement;

(d) *Public Health, Safety or Welfare.* Subsequent Land Use Regulations that are adopted by Town, which may be in conflict with the Existing Development Approvals or Existing Land Use Regulations, the application of which to the development of the Property is essential in order to ensure the public health, safety, or welfare of residents of all or part of Town;

(e) *Building and Improvement Standards.* Present and future Building and Improvement Standards, except that (taking into consideration the provisions of this Agreement and the Annexation Agreement) any future amendment thereto that reduces the amount of land within the Property that can be utilized for structures and improvements or increases the amount of required open space within the Project shall not be considered a provision of any of the Building and Improvement Standards included within the exception provided by this Subsection (d) and shall not apply to and govern the Development of the Project unless it complies with another exception under this Section 4.5; and

(f) *Customary Town Fees, Taxes and Charges.* Subsequent fees and taxes adopted by the Town intended to be customary Town fees and charges and imposed by the Town pursuant to law upon all similarly situated applicants and property owners.

4.5.1 *Police Powers; Full Extent of Law.* The Parties acknowledge that Town is restricted in its authority to limit its police powers by contract and that the foregoing limitations, reservations, and exceptions are intended to reserve to Town all of its police powers that cannot be so limited. It is expressly agreed that Town reserves its police power to adopt ordinances, regulations, policies and other enactments affecting the Project to address essential matters of public health, safety or welfare. In the exercise of its police powers, Town shall recognize and consider the circumstances existing at the time this Agreement was authorized. In addition, such exercise of the police power shall be in a manner consistent with the purpose and intent of the Development Agreement Statute, the provisions of this Agreement, and the purpose of the exercise of the police power. Notwithstanding the foregoing, this Agreement shall be construed, contrary to its stated terms if necessary, to reserve to Town all such powers and authority that cannot be restricted pursuant to the Development Agreement Statute.

4.6. Future Assurances to Petitioner Regarding Exercise of Reservations of Authority

4.6.1 *Adoption of Comprehensive Plan and Approval of the Planned Neighborhood District; Further Approvals.* In preparing and adopting the 2002 Comprehensive Plan and in granting the application for the Planned Neighborhood District for the Property as well as any Existing Development Approvals, the Town considered the health, safety, and welfare of the existing and future residents and populations of Town and prepared and/or reviewed in this regard endangered species, wetlands, archaeological, historical/architectural, groundwater, traffic impact and water and wastewater facility studies ("Studies") as well as other studies relating to the economic and non-economic impacts of the Approved Phases and the general development plans on the Town and its public facilities and services. Without limiting the generality of the foregoing, in granting application of the Planned Neighborhood District to the Property or portions of the Property, and in granting the Existing Development Approvals, the Planning Commission and Town Council carefully considered and determined the projected needs (taking into consideration the planned development of the Project and Town and adjacent areas) for Town services within the Project, Town and adjacent areas and the projected needs within the Project including public water and sewer, the needs of the residents for open space and parks, and the appropriateness of the number of units to be developed and the density and intensity of the development comprising the Project.

4.6.2 *All Governmental Approvals Required Before Development of Property.* It is acknowledged that this Agreement only provides assurances to Petitioner with respect to the Land Use Regulations that will apply to the Property and that prior to and as a condition precedent to the final decision to construct or develop any of the Public Facilities or any portions of the Project, Petitioner shall obtain PUD Plan approval for each Phase, and all required permits and approvals shall be obtained, in accordance with and as provided in Sections 4.4 and 4.7 (including State and federal regulations).

4.7 Actions of Other Public, Quasi-Public and Private Entities. The implementation of the Development Approvals may require actions by and agreements with other public, quasi-public or private entities in granting permits and approvals, generally as follows:

a. Federal, State, and other agencies having jurisdiction and dealing with, *inter alia*, air quality, sewer, water, wastewater, storm drainage, solid waste, transportation facilities, and surface mining; and

b. Providers of utilities and owners of utility lines and easements.

At Petitioner's sole discretion and in accordance with Petitioner's construction schedule, Petitioner shall apply for such other permits and approvals as may be required by other public and quasi-public and private entities in connection with the development of, or the provision of services to, the Project.

4.7.1 *No Limitation of Authority; Town Cooperation.* This Agreement does not limit the rights or authority of such entities. To the extent permitted by law, Town shall cooperate with Petitioner to obtain and/or assist Petitioner to obtain such permits and approvals and shall, from time to time at the request of Petitioner, use its best efforts to support applications pending before and/or enter into such binding agreements with any such other

entities as may be necessary to ensure the timely availability of such permits and approvals. Without limiting the foregoing, Town shall reasonably cooperate with Petitioner in any dealings with public, quasi-public and private entities concerning issues affecting the Property. Town shall keep Petitioner fully informed with respect to its communications with such entities that could impact the development of the Property. Petitioner shall be responsible for all expenses incurred by the Town in connection with applications to such other entities.

4.7.2 *Failure to Obtain.* In the event that any such agreement, permit or approval as set forth above is not obtained within six (6) months from the date the application is deemed complete by the appropriate entity, and such circumstance materially deprives Petitioner of the ability to proceed with development of the Property or any portion thereof, at the election of Petitioner, Petitioner and Town shall meet and confer with the objective of attempting to mutually agree on alternatives and/or amendment to this Agreement to allow the Development of the Property to substantially proceed.

5. Public Facilities, Services and Initiatives

5.1. Construction of Public Facilities. The Public Facilities shall be constructed in accordance with the provisions of the Development Plan, this Agreement, the Annexation Agreement, the Building and Improvement Standards and approved plans and specifications.

5.2 Operation, Maintenance, Repair, and Replacement. Except as expressly set forth in this Agreement, the Annexation Agreement, the approved plans, specifications, and contracts for construction, or in any transfer or dedication documents, the Town shall not be responsible for the operation, maintenance, repair or replacement of any of the Public Facilities, or the cost thereof, until after the completion thereof and formal acceptance of the Public Facilities by Town.

5.3 Town Public Works Parcel, Facility and Equipment.

5.3.1 *Town Public Works Parcel.* As an element of the subdivision plat submission and approval process, and site plan approval process for the wastewater treatment facilities described in Section 9, the Petitioner and the Town will agree on the configuration of a public works parcel ("Public Works Parcel"). The Public Works Parcel will be conveyed to the Town within thirty (30) days after approval of the final subdivision plat creating the parcel. The Public Works Parcel shall be of sufficient size to accommodate the improvements set forth in Section 5.3.2. Petitioner shall be responsible to the Town for all maintenance and insurance expenses related to the Public Works Parcel until the Public Works Improvements described in paragraph 5.3.2 are accepted for occupancy by the Town.

5.3.2 *Improvements to the Public Works Parcel.* The Petitioner shall construct the following improvements on the Public Works Parcel ("Public Works Improvements"), all of which shall be designed, engineered and constructed at Petitioner's expense, to the Town's specifications, including all grading, stormwater management, entrances, exits, parking areas and fencing: (a) a 3,000 square foot public works/administrative building, which shall include space for a meeting room, and public works workshop and office space; and (b) a 900 square foot pad

(under roof) for storage of equipment and/or materials. The Public Works Improvements described in Section 5.3.2. shall be in addition to the improvements required for the wastewater treatment facility. Improvements and space necessary for the operation of the wastewater treatment facility, including, but not limited to office, storage and laboratory space shall be part of, and included within the wastewater treatment facility and plant, which is set forth in Section 9.

The Petitioner shall be responsible for all design, architectural and engineering, construction and construction inspection costs associated with the Public Works Improvements. The Town shall select the architects, inspectors, and engineers, and all costs, expenses and fees associated with their efforts shall be reimbursed to the Town by Petitioner. The Public Works Improvements shall be constructed and available for occupancy within 12 months of the Town's written request or issuance of the 500th residential occupancy permit for the Property, or as otherwise agreed in writing by the Town and the Petitioner. The Town shall not be obligated to accept the Public Works Improvements until after the issuance of the 500th residential occupancy permit.

5.3.3 *Construction Warranties.* Petitioner may enter into a construction agreement with one or more contractors, subject to approval by the Town, for the construction of the Town Public Works Improvements. Upon the Town's acceptance of such improvements, the Petitioner shall warrant or validly assign to the Town all relevant material and construction warranties related to such improvements. Warranties for such improvements shall have a duration of at least one (1) year from the date of substantial completion of such improvements and acceptance by the Town. To the extent that components of the Town Public Works Improvements include warranties for more than one year, Petitioner shall assign all such warranties to the Town.

5.3.4 *Equipment.* Petitioner shall provide the Town with a new street sweeper and a front-end loader/backhoe on or before the date that the Town accepts dedication of the streets and associated public improvements constructed by Petitioner to serve the first five hundred (500) lots of the Project. Exhibit I shows examples of acceptable street sweepers and front-end loaders/backhoes.

5.4. Town Police Department. In the Annexation Agreement, the Petitioner agreed to fund the first year's operations of a Trappe Police Department consisting of three police officers, two police vehicles, and a public safety communications system. Alternatively, in addition to the agreement to fund two police cars and a public safety communications system, the parties agree that the Town may elect that the Petitioner fund one police officer position for three years as opposed to three police officer positions for one year. The Parties hereby agree that the Petitioner's costs shall be the actual costs to the Town of providing and training such personnel (including liability and health insurance and an appropriate pension plan) and acquiring, operating and installing such equipment. Petitioner's obligations to fund such operations shall commence at such time as the Town delivers written notice to the Petitioner that the Town has implemented or will implement its police force.

5.5 Fire Protection.

5.5.1. *Annual Assessment.* The Town of Trappe is served by the Trappe Volunteer Fire Department, Inc., a private corporation which is not an agency of the Town of Trappe. In the Annexation Agreement, the parties agreed that the Petitioner would make appropriate financial contributions to the Trappe Volunteer Fire Department if necessary to assure adequate fire protection services to the Property. The parties have subsequently agreed that as to each Residential Dwelling Unit and residential amenity structure (for example, community center buildings and community swimming pool structures, etc. but excluding private accessory structures such as sheds, garages and pools) for which the Town has issued a use or occupancy permit, an annual assessment of \$100.00 per Residential Dwelling Unit or residential amenity structure will be assessed and paid to the Trappe Volunteer Fire Department, Inc. by the Petitioner or appropriate HOA, to defray some of the expenses for fire protection for the residential area of the Project. If the Trappe Volunteer Fire Department, Inc. ceases to operate or exist, the Annual Assessment shall be deposited in a fund owned and controlled by the Town for the provision and support of emergency services.

5.5.2. *Firehouse Improvements.* Petitioner shall pay to the Trappe Volunteer Fire Department, Inc. the following amounts to support the costs of improvements to the Trappe Firehouse: (a) Ten Thousand Dollars (\$10,000) upon commencement of construction of the Project, or any infrastructure or Public Facilities within the Project, and (b) Two Hundred Forty Thousand Dollars (\$240,000) within twelve (12) months of commencement of construction of the Project.

5.5.3. *Emergency Sensors.* Petitioner shall reimburse the Trappe Volunteer Fire Department, Inc. for its expenses and costs in adding sensors to its emergency vehicles, and to the existing traffic light (Barber Road) within the Town of Trappe, to permit the emergency vehicles to alter the traffic light timing sequence for safe emergency passage of emergency vehicles. The reimbursement shall be made within thirty (30) days of submission to the Petitioner of the invoices therefor. Petitioner's transportation improvement obligations of Section 7.3 shall include installation of appropriate sensors to new signalized intersections (Piney Hill Road and North Entrance) at the time such intersections are signalized.

5.6. Town Planner and Administrative Costs. Effective September 1, 2003, Town employed a full-time planning professional ("Town Planner"). On January 8, 2004, Town and Luthy Properties LLC, contract purchaser of a portion of the Property and a party to the Annexation Agreement and this Agreement, memorialized the obligations set forth by Section 5.3(c) of the Annexation Agreement regarding funding for the Town Planner in a Town Planner Funding Agreement ("TPFA"). Town agrees to terminate, as of the Effective Date, the TPFA and fully release Luthy Properties LLC from all obligations under the TPFA in consideration for Petitioner's agreement to make the remaining payments to Town otherwise provided under the TPFA, as more particularly set forth in this Section.

Petitioner agrees to reimburse Town an annual sum to fund the employment of a Town Planner and other Town staff and/or administrative and planning consultant costs, in the amount of Sixty Five Thousand Dollars (\$65,000), plus Town's cost of providing health insurance for the Town Planner. Any health insurance benefits provided to the Town Planner shall be

substantially the same benefits as provided to other Town employees. Such reimbursement shall be made in equal quarterly installments. Town shall notify Petitioner of any changes in cost of the Town Planner's health insurance, and Petitioner shall pay to Town or receive credit for, as appropriate, the change in cost within thirty (30) days of receipt of such notice. Petitioner's reimbursement obligation shall continue until the later of: (1) August 31, 2008, or (2) the issuance of the Five Hundredth (500th) residential occupancy permit for the Property.

Town acknowledges and agrees that Luthy Properties LLC completely satisfied the obligations to reimburse Town for the purchase of equipment for the Town Planner, as set forth by paragraph 4 of the TPFA, and that Petitioner has no such obligations except as provided herein. Town retains the sole discretion to employ such person to fill the position as Town believes is qualified, and the Town Planner shall serve at the pleasure of the Town Council, and the Town Council shall exclusively define the responsibilities of the Town Planner. Nothing contained in this Section shall limit Town's authority, in its sole discretion, to increase or change the funding for this position, however, notwithstanding any change by Town, Petitioner's obligation shall be as set forth in this Section 5.5.3.

5.7 Town Center Enterprise Fund. Town agrees to establish and administer an Enterprise Fund to fund programs and initiatives, in the Town's discretion, for the revitalization of the area within the Village Overlay Zone. Town shall have exclusive authority and responsibility for administering the Enterprise Fund. Upon the issuance of each Residential Dwelling Unit building permit, Petitioner agrees to pay Fifteen Hundred Dollars (\$1500) to the Enterprise Fund for each single family dwelling, or for each primary residential dwelling unit with respect to any lot which contains multiple family dwellings.

5.8. Town Administrative Building. Petitioner agrees to acquire land within the Village Redevelopment Sub-Area that is suitable for a 3,000 square foot municipal building and related parking ("Town Administrative Building"). Petitioner shall convey such land to the Town upon commencement of construction of any phase of the Project, or any infrastructure or Public Facilities within the Project, or at such other time designated by the Town in its sole discretion. Petitioner agrees cooperate with the Town to construct or cause to be constructed and/or renovated a 3,000 square foot building, which shall be completed on or before thirty six (36) months after commencement of construction of the Project. The Town will design the interior space to accommodate such offices, meeting rooms, and other administrative spaces as it determines are necessary and appropriate in the Town's sole discretion. The Petitioner shall be responsible for all design, architectural, engineering, construction, and construction inspection costs associated with the Town Administrative Building, as well all exterior improvements, including landscaping, paving, sidewalks, and lighting.

6. Parks and Open Space.

6.1 General. Except as expressly provided in this Section to the contrary, Petitioner shall not be responsible for the operation, maintenance, repair or replacement of any of the park or open space areas identified by this Section ("Park and Open Space Facilities"), or the cost thereof, after the completion and acceptance of the Park and Open Space Facilities by Town. The replacement, repair, maintenance and operation of any of the Park and Open Space Facilities

after the completion and acceptance thereof by Town, shall not during the term of this Agreement be the subject of a fee with respect to, or a condition of, any Development Approval, and no fee, tax or assessment shall be levied by Town, other than generally applicable Town real property taxes, on any portion of the Property for such purposes with respect to completed and accepted Park and Open Space Facilities without the prior written consent of Petitioner. Nothing in this section shall be construed as prohibiting Town from charging a user's fee to persons who use any of the Park and Open Space Facilities.

6.2 Construction and Ownership of Large Lake and Public Park. The Petitioner agrees to expand and ultimately reclaim the mining area existing on the Property as a large lake ("Lake"). A portion of the lake shoreline will be dedicated to the Town for use as a public park, including a beach area ("Public Park"). Petitioner or HOA will own the Lake bed, unless and until Town requests dedication of the same. The Town shall have the option, but shall not be obligated, to accept ownership of the Lake bed. Petitioner agrees that, upon acceptance of ownership of the Lake bed by the Town, the water of the Lake may be publicly accessible for non-motorized boating, fishing and general recreational purposes, and that sufficient shoreline access will be made available to permit meaningful public use of the waters of the Lake. The Petitioner shall pay all costs and expenses associated with the dedication and conveyance of the Public Park and Lake bed, in the event that the Town accepts ownership of the Lake.

6.3 Other Ponds and Lakes. All other ponds and lakes within the Project will be constructed, owned and maintained by Petitioner or HOA, subject to appropriate easements and requirements to accommodate the Project's drainage and stormwater management system. The Town, its agents and consultants will be provided with easements for access to inspect all ponds, lakes, waterways or watercourses, ditches, or any other aspect of the Project's stormwater management system.

6.4 Public Open Space. The Project involves the construction, enhancement and/or protection of various active and passive open spaces, for public use and enjoyment, including, plazas, greens and parks, and natural habitat corridors and buffers. Petitioner and/or HOA will own and maintain such areas unless and until Petitioner and/or HOA offer to dedicate such areas to the Town and the Town accepts the same. Notwithstanding Petitioner or HOA ownership and maintenance of open spaces included for public use and enjoyment, the Town and public shall have an permanent and perpetual easement to use and enjoy the same, which may not be limited by the Petitioner or any HOA, except in conjunction with reasonable maintenance activities and safety and security restrictions. Areas of the Project available for public access and public use are identified on Exhibit J.

6.5 Publicly Accessible Trails. The Project includes the construction of multiple walking paths and/or cycleways (collectively, the "Trails"). Such Trails will be owned and maintained by Petitioner and/or HOA unless and until Petitioner and/or HOA offer to dedicate such areas to the Town and the Town accepts the same. Notwithstanding Petitioner or HOA ownership and maintenance of Trails included for public use and enjoyment, the Town and public shall have a permanent and perpetual easement to use and enjoy the same, which may not be limited by the Petitioner or any HOA, except in conjunction with reasonable maintenance activities and safety and security restrictions. The construction schedule for the Trails to be

built or to serve or connect particular Phases of the Project is set forth in Exhibit K, and may be amended or supplemented in any subsequent DRRA for other Phases of the Project.

6.6 LaTrappe Heights Park. Within twenty four (24) months after the commencement of construction of any Phase of the Project or any infrastructure or Public Facilities within the Project, the Petitioner shall offer to dedicate to the Town, four (4) acres of land adjacent to LaTrappe Heights for use as a park. The property to be conveyed to the Town shall be prepared for passive use (cleared of underbrush), but shall remain wooded. The Petitioner shall pay all costs and expenses associated with the dedication and conveyance of the property to the Town.

7. Roads and Transportation Improvements

7.1 Transportation Improvements. If County, State or other public or private entity, as part of a County, State or federally funded project, construct, for the benefit of the public at large, a transportation improvement identified as an obligation of Petitioner pursuant to this Section, Petitioner is under no further obligation to construct such improvement or reimburse the constructing entity for the improvement cost, unless such reimbursement is required by State law, or unless the improvement is necessary to serve the Project.

7.2 On-Site Transportation Improvements. Petitioner agrees to construct, or cause to be constructed, all on-site public and private roadways, roadway extensions and improvements required for the Project. All such improvements will be constructed in accordance with Town's construction standards and as permitted by the Development Approvals.

7.2.1. *Ownership.* Parties intend that all streets, roads and sidewalks within the Property will ultimately be publicly owned, except driveways and parking areas. The Petitioner may offer to dedicate alleys within the Project to the Town. The Town will have the right to accept or to reject the dedication of any alley(s) at its sole discretion. Petitioner and/or HOA will own all new streets and roadways constructed within the Property until such improvements are dedicated to and accepted by the Town. The parties agree that depiction of a public road, street or pathway on a PUD plan or subdivision plat, and any Town approval of such plans or plats, does not constitute acceptance by the Town of an offer to dedicate, but does constitute the creation of an easement for use by the public. Acceptance by the Town will be memorialized in a document signed by Town and Petitioner and recorded in the Land Records.

7.2.2. *Maintenance.* The Petitioner and/or HOA shall maintain all on-site transportation improvements, including sidewalks, streetlights, signage and irrigation, until the same are dedicated to and accepted by the Town.

7.2.3. *Piney Hill Road; Vacation of Unnecessary Right-of-Way Easements and Public Roadways.* During the Annexation process, the County expressed a strong preference for Town to accept ownership and maintenance responsibility for all County roads located within or adjacent to the Property. As of the Execution Date, Town and County are discussing the conveyance to Town of the County's interest(s) in the portion of Piney Hill Road located within the Property. In light of the County's historic and current position to terminate any fiscal

responsibility for roads located within the incorporated municipalities, it is anticipated that the County will complete such conveyance.

Town and Petitioner agree to cooperate to effectuate the County's conveyance of the portion of Piney Hill Road within the municipal boundary to the Town. In the event that County fails or refuses to convey Piney Hill Road to the Town, Town and Petitioner agree to cooperate to facilitate construction of the improvements depicted by the Development Plan and contemplated by this Section, to pursue resolution of any Piney Hill Road issues related to access or ownership, including legal actions, if appropriate, or to amend the Development Plan as necessary to enable development of the Project, notwithstanding County's failure or refusal to convey such portion of Piney Hill Road to the Town.

In the event that Town secures ownership of the portion of Piney Hill Road that traverses the Property, Petitioner agrees to construct a new alignment for Piney Hill Road through the Storefront Area and Village Center Area of the Project as such alignment may be approved by the Town. Such alignment is anticipated to allow for free through-movements between Route 50 and the east Town boundary, without unnecessary stop signs or traffic signals.

Upon completion of construction of the new alignment, Petitioner agrees to offer to dedicate the new roadway to Town for public use. Upon dedication of the new roadway, to be constructed and improved by the Petitioner to the applicable Town roads standards, portions of the existing right-of-way will become duplicative, surplus and unnecessary due to the relocation and, absent abandonment, would interfere with the implementation of the Development Plan. Accordingly, upon acceptance of the offer of dedication of the new roadway, the Town agrees to abandon, vacate and quitclaim to Petitioner such portion of the existing Piney Hill Road right-of-way as is no longer necessary for public use.

7.3. Off-Site Transportation Improvements. Petitioner agrees to construct the following off-site transportation improvements, as generally described by this Section, subject to designs and construction/implementation timeframes approved by the State Highway Administration ("SHA").

7.3.1. *Route 50 at Northern Entrance to Project.* Petitioner agrees to construct all improvements required by the Town and by SHA, which are anticipated to include, at Project Completion, a full-movement, signalized intersection, left turn lane(s) for southbound Rt. 50, and acceleration and deceleration lanes for northbound Rt. 50.

7.3.2. *Route 50 at Piney Hill Road.* Petitioner agrees to construct all improvements required by the Town and by SHA, which are anticipated to include, at Project Completion, a full-movement, signalized intersection, left turn lane(s) for southbound Rt. 50, left, right and thru lanes for westbound Piney Hill Road, and acceleration and deceleration lanes for northbound Rt. 50.

7.3.3. *Route 50 at Barber Road.* Petitioner agrees to construct all improvements required by SHA and by the Town.

7.3.4. *Southern Entrance to Project at Barber Road.* During the Annexation process, the County expressed a strong preference for Town to accept ownership and maintenance responsibility for all County roads located within or adjacent to the Property. As of the Execution Date, Town and County are discussing the conveyance to Town of the County's interest(s) in the portion of Barber Road located adjacent to the Property. Similar to Piney Hill Road, it is anticipated that the County will complete such conveyance.

Town and Petitioner agree to cooperate to effectuate County's conveyance of the portion of Barber Road within the municipal boundary to the Town. In the event that County fails or refuses to convey Barber Road to the Town, Town and Petitioner agree to cooperate to facilitate construction of the improvements depicted by the Development Plan and contemplated by this Section, to pursue resolution of any Barber Road issues related to access or ownership, including legal actions, if appropriate, or to amend the Development Plan as necessary to enable development of the Project, notwithstanding County's failure or refusal to convey such portion of Barber Road to the Town.

Petitioner agrees to construct all improvements required by Town between Route 50 and the southern access to the Project and along the Property frontage on Barber Road. The improvements are anticipated to include such improvements as are reasonably necessary to assist driver identification of the transition between the County's rural road section to the east and the urban road section to be constructed to Town standards between Route 50 and the Southern Entrance. The Parties anticipate that additional details related to the improvement requirements for Barber Road will be addressed in development agreement(s) for other Phase(s) of the Project or during the PUD Plan approval process for such Phase(s).

7.3.5. *Ownership & Maintenance.* All off-site transportation improvements constructed within a public right-of-way shall be owned and maintained by the public entity that owns the right-of-way after such entity accepts such improvements. Petitioner agrees to maintain any off-site transportation improvements until the same are accepted by the appropriate public entity.

7.3.6. *Pedestrian Walkover.* At the time the Town considers zoning approval(s) for the regional commercial uses, Petitioner agrees to dedicate to the Town sufficient land on both sides of Route 50 to facilitate the future construction of a pedestrian walkover to provide safe pedestrian access between the Project and the existing Town center, or to reimburse the Town for all costs related to the Town's acquisition thereof.

8. Water

8.1 Design and Construction. Petitioner shall construct water treatment, storage and distribution facilities within the Property as necessary and desirable for the development of the Project as depicted on final subdivision plats and construction plans approved by Town, including a system of wells, pipes, water mains, laterals, service lines, hydrants, feeders, regulators, fixtures, connections and attachments and other desirable appurtenances necessary or proper for the purposes of withdrawing, treating, storing, distributing, supplying and selling water for domestic, commercial, municipal and fire protection purposes and for any other

purposes for which water may be used by the residents of the Property, including supplying any computer equipment or software necessary for the operation, maintenance, administration, and billing interconnection with the water and sewer utility services (collectively, the "Water Facilities"). The design and construction of such Water Facilities shall be subject to approval by consulting engineers selected by the Town, and shall comply with federal and state standards, as well as Town's standards in effect at the time of written Town approval of the construction plans for such facilities, and shall generally comply with the water system improvements plan as set forth by the Wastewater and Water Facility Plan. The Water Facilities will be looped to connect to the existing Trappe water system via an existing interconnection pipe under Maryland Route 50 at Piney Hill Road.

8.2 Wells. Petitioner agrees to design, permit, drill, construct and dedicate to Town all wells required to serve the water demands of the Project. Petitioner agrees that, upon completion of the Project, the wells shall provide, at a minimum, sufficient water to produce an average daily flow rate of 650,000 gallons, with a 16 hour per day well pump run time. Petitioner may provide the water by a combination of two or more wells, as generally indicated in the Wastewater and Water Facility Plan or as otherwise approved by Town and its consulting engineers. Except for the first well, the timing of drilling, construction and connection of such wells shall be at Petitioner's discretion, provided that each such well is complete and operating prior to such time as the well is required to provide additional water system capacity for Development of the Property. Petitioner agrees that the Town will not issue a building permit for a use or structure of the Project unless the Project's water system has sufficient capacity to serve the proposed use or structure.

8.3. Elevated Storage Tank. Petitioner shall construct an elevated storage tank ("Tank") with a minimum capacity of 250,000 gallons when and as specified by the Town's consulting engineers. The Town reserves the right to determine the size and design of the Tank based upon appropriate engineering specifications. It is anticipated that the Tank will be located on the south side of Piney Hill Road, in the vicinity of the Storefront Area and/or the reserved regional commercial area. In accordance with the timing of Section 8.7, Petitioner will dedicate the Tank, related appurtenances and approximately one (1) acre of land on which the Tank and appurtenances are located to Town, together with a recorded temporary access easement, which may be relocated, subject to the Town's approval, based upon future planning and site design, and shall be replaced by a dedicated access easement upon final plat approval for the phase(s) in which such Tank is located.

8.4 Arsenic Removal. The Water Facilities shall comply with all applicable state and federal regulations, including regulations related to domestic water arsenic levels. Subsequent to execution of the Annexation Agreement, the Town conducted appropriate testing and determined that no arsenic treatment or removal is required for the existing Town water system. Any necessary arsenic removal facilities constructed by Petitioner for the Property shall be located, designed, sized, and constructed in accordance with the advice and recommendation of Town's consulting engineers. Petitioner shall be responsible for all costs of design. Any construction expenses related specifically to an arsenic removal system constructed by or for Petitioner or for the benefit of the Project shall be borne by Petitioner.

8.5 Prior Approval by Town. Before the commencement of construction of public Water Facilities on the Property, Petitioner will submit to Town applicable plans and specifications therefor and obtain written approval of such plans and specifications by Town.

8.6 Operation and Maintenance. Petitioner shall maintain and operate the Water Facilities until the same are accepted by the Town, and conveyed to the Town by a valid instrument of conveyance. Following conveyance to Town, the operation and maintenance of the Water Facilities will be performed by the Town or its designee pursuant to its standard operating procedures and requirements. Petitioner shall reimburse the Town for any deficiency between the actual operation and maintenance costs (including, but not limited to administrative costs, all depreciation costs, appropriate capital reserves and all indirect costs such as liability insurance) of the Water Facilities and the user fees collected for the Water Facilities until the revenues generated from the Water Facilities are sufficient to cover the actual operation and maintenance costs and render the Water Facilities self-supporting.

8.7 Dedication to Town. The Water Facilities constructed or caused to be constructed by Petitioner shall be conveyed to and accepted by Town upon Completion of construction of such facility(s), subject to the Town's prior inspection and final approval of such facilities as constructed. Transfer of the Water Facilities will be by instrument approved by Town, free of liens and encumbrances. If Town's inspection of the facilities should reveal that same are not in compliance with the applicable standards, or otherwise deficient for their intended purposes, prior to approval and acceptance by Town, Petitioner shall, without undue delay, undertake such repairs, improvement, replacements and additions as are reasonably necessary to cause such facilities to comply with all requirements reasonably imposed by Town in connection therewith. Upon Completion, Petitioner shall furnish to Town a complete set of "as built" plans.

8.8 User Fees, Rates and Policies. All fees, rates, policies, and regulations adopted by Town concerning delivery of water service, including service deposit requirements and collection of monthly charges for service, will be in full force and effect within the Property, except to the extent expressly limited by this Agreement. In consideration of Petitioner's infrastructure and operation and maintenance cost obligations set forth above, the Town agrees to waive all tap, connection or capital charges for development of the Property. As provided by Section 8.6, Petitioner agrees to pay for the depreciation or reserve for replacement component(s) of the Water Facility. Petitioner agrees to provide and install, within 12 months of purchase, meters as specified by the Town for all connections to the Water Facilities and Town agrees to waive any charge otherwise applicable if the Town had provided or installed the meters. Any meters installed by the Town for the Project shall be at the expense of the Petitioner. The Town or its designee shall be solely responsible for meter reading, billing and collection within the Property and shall collect all revenues therefrom. Except as otherwise set forth herein, water service shall be provided to customers within the Property in substantially the same manner and under the terms, practices, conditions, fees, assessments and charges as Town has heretofore and may hereafter prescribe for its customers under applicable ordinances of Town, as the same may apply to the customers within Property. In the event that Petitioner shall operate the Water Facilities at its expense pursuant to Section 8.6 above, Petitioner shall receive a credit for all revenues collected from the Water Facilities against Petitioner's payment/deficiency obligation set forth by Section 8.6.

8.9 Allocation of Water Facilities Capacity. Determination of Water Facilities capacity shall be based upon actual use measured from time to time and such capacity shall be allocated in accordance with applicable state standards. Formulations such as gallons per day (“gpd”) gpd/residential unit and gpd/type of commercial use for allocating capacity shall be adjusted, at least annually, with appropriate safety margin, based on actual average use.

8.10 Restrictions on Allocation of Water Facilities Capacity. It is intended that water system production and storage capacity provided by Petitioner shall be reserved for development of the Property. Unless agreed by Petitioner, until the Project is complete, the Town will only authorize connections to or use of Water Facilities by uses or properties located outside the Property in the case of a water emergency or as necessary to properly manage the supply of safe, potable water throughout the Town.

9. Wastewater

9.1 Design and Construction. Petitioner shall construct wastewater treatment collection system and facilities and effluent treatment, storage and disposal facilities within the Property and Easement Area (as defined in Section 9.6) as necessary or desirable for the Development of the Project and as depicted by construction plans approved by the Town, and any consulting engineer employed by the Town, and the Maryland Department of the Environment. The plans shall depict a system of pipes, wastewater mains, laterals, lift stations, manholes, treatment facilities, storage lagoon, irrigation equipment, connections and attachments and other desirable appurtenances necessary or proper for the purposes of collection, transporting, treating, storing and disposing of wastewater generated within the Property, including supplying any computer equipment or software necessary for the operation, maintenance, administration, and billing interconnection with the water and sewer utility services (collectively, the “Wastewater Facilities”). The Wastewater Facilities shall also include a building to accommodate water and sewer administrative offices, storage, and laboratory space. The Wastewater Facilities shall comply with all applicable state and federal standards, and the Town’s standards in effect at the time of written Town approval of the construction of such facilities and shall generally comply with the Wastewater and Water Facilities Plan.

9.2 Prior Approval by Town. Before the commencement of construction of public Wastewater Facilities on the Property, Petitioner will submit to Town applicable plans and specifications therefor and obtain written approval of such plans and specifications from the Town and its consulting engineers.

9.3 Dedication to Town. Except as otherwise provided by Section 9.6, the Wastewater Facilities constructed or caused to be constructed by Petitioner shall be conveyed to and accepted by Town following Completion of such facility(s), subject to the Town’s prior inspection and approval of such facilities. Transfer of the Wastewater Facilities will be by instrument approved by Town, free of liens and encumbrances. If Town’s inspection of the facilities should reveal that same are not in compliance with all applicable approvals, or otherwise deficient for their intended purposes, prior to approval and acceptance by Town, Petitioner shall, without undue delay, undertake such repairs, improvement, replacements and

additions as are reasonably necessary to cause such facilities to comply with all requirements reasonably imposed by Town in connection therewith. Upon Completion, Petitioner shall furnish to Town a complete set of "as built" plans.

9.4 Operation and Maintenance. Petitioner shall maintain the Wastewater Facilities until the same are accepted by the Town. Following conveyance to Town, the Town or its designee shall operate and maintain the Wastewater Facilities pursuant to its standard operating procedures and requirements and applicable laws and best management practices. Petitioner shall reimburse the Town for any deficiency between the actual operation and maintenance costs (including, but not limited to administrative costs, all depreciation costs, appropriate capital reserves, and all indirect costs such as liability insurance) of the Wastewater Facilities and the user fees collected for the Wastewater Facilities until the revenues generated from the Wastewater Facilities are sufficient to cover the actual operation and maintenance costs and render the Wastewater Facilities a self-supporting operation.

9.5 Wastewater Plant Interconnection; Pumping Station and Forcemain. Petitioner agrees to construct a forcemain to interconnect Town's existing wastewater treatment plant and the Project's Wastewater Facilities ("Interconnection"). The Interconnection shall include pump(s) for two-way operation to convey treated or untreated wastewater to/from either wastewater treatment plant, as approved by the Maryland Department of the Environment. The location of the Interconnection shall be as specified by the Town, and shall utilize existing town or public rights of way unless Petitioner secures additional rights of way acceptable to the Town or the Town assists Petitioner by acquiring the right of way preferred by the Town. It shall generally be located within the bed of Hennessy Lane and Maple Avenue.

Prior to completion of the Project, the Town agrees not to permit connection to the Interconnection by individual properties outside of the Project, unless the connection(s) is necessary for the public health, safety or welfare. The Town acknowledges that, subject to all applicable rules, regulations and permits, available treatment and spray irrigation disposal capacity may be temporarily used for disposal of wastewater from Town's existing treatment plant, but all disposal capacity of the Wastewater Facilities is reserved for and dedicated to the Property to the extent that such capacity is necessary to accommodate wastewater flows of and from the Property.

9.6 Spray Irrigation Facility. Upon commencement of construction of the Wastewater Facilities, Petitioner agrees to convey to Town a perpetual wastewater disposal easement for groundwater discharge of treated wastewater of the Project by an easement document approved by the Town and its counsel, which document is to be executed by the Town and recorded among the land records of Talbot County. The area of the easement shall encompass the two areas proposed to MDE for spray irrigation of treated wastewater, 62 acres and 23 acres, respectively, and the 22-acre reserve area, or such other area(s) as approved by MDE (collectively, the "Easement Area"). The Easement Area shall also include sufficient area to permit access, construction and maintenance of the spray irrigation system.

The easement will continue, perpetually, subject to termination upon the following conditional events:

- (a) until such time as the Easement Area is no longer necessary for the purpose of disposing treated wastewater by spray irrigation for the Project, or
- (b) until such time as: (i) Petitioner secures alternative spray irrigation area(s) by perpetual easement to the Town, permitted by MDE, for disposal of the same or greater quantity of wastewater as permitted on the Easement Area and constructs all infrastructure necessary to discharge the Project's wastewater at such alternative location(s); and (ii) Town has approved relocation of the spray irrigation use to such alternative location(s).

Petitioner agrees to provide, construct and install all necessary spray irrigation equipment including pumps, distribution and irrigation equipment, and any other necessary appurtenances.

In the event that the spray irrigation areas designated pursuant to this provision shall become unavailable or unusable for the discharge of effluent during the time that Petitioner is constructing the residential and/or commercial uses, including regional commercial uses of the Project, Petitioner shall be responsible for providing appropriate replacement spray areas to be perpetually available to serve the Project. Thereafter, the Town reserves the right to obtain bond(s) or other economic security from the HOA(s) and/or property owners within the Project to ensure the availability of appropriate replacement spray areas. Notwithstanding any other provision of this Agreement, Petitioner shall be required to provide economic security, approved by the Town, as a condition to the assignment of all or any obligations in this Section.

9.7 User Fees, Rates and Policies. All fees, rates, policies, and regulations adopted by Town concerning wastewater service, including service deposit requirements and collection of monthly charges for service, will be in full force and effect within the Property, except to the extent expressly limited by this Agreement. In consideration of Petitioner's wastewater treatment, storage and disposal and operation and maintenance cost obligations set forth above, Town agrees to waive any wastewater connection or capital charges for development of the Property. As provided by Section 9.4, Petitioner agrees to pay for the depreciation or reserve for replacement component(s) of the Wastewater Facility. The Town or its designee shall be solely responsible for the setting of water and sewer rates, meter reading, billing and collection within the Property and shall collect all revenues therefrom. Except as otherwise set forth herein, wastewater service shall be provided to customers within the Property in substantially the same manner and under the terms, practices, conditions, fees, assessments and charges as Town has heretofore and may hereafter prescribe for its customers under applicable ordinances of Town, as the same may apply to the customers served within the Property. In the event that Petitioner shall operate the system at its expense pursuant to Section 9.4 above, Petitioner shall receive a credit for all revenues collected from the Wastewater Facilities against Petitioner's payment/deficiency obligation set forth by Section 9.4.

9.8 Allocation of Wastewater Facilities Capacity of the Trappe East Sewerage Facility. Determination of Wastewater Facilities Capacity shall be based upon actual use measured from time to time and such capacity shall be allocated in accordance with applicable state standards. Formulations such as gpd/residential unit and gpd/type of commercial use for

allocating capacity shall be adjusted, at least annually, with appropriate safety margin, based on actual average use.

9.9 Restrictions on Allocation of Trappe East Wastewater Facilities Capacity. Except as provided in Section 9, all treatment and disposal capacity shall be reserved for development of the Property. Until Development of the Property is complete, the Town will only authorize connections to or use of the Wastewater Facilities outside the Project if the connection(s) is necessary for the public health, safety or welfare, unless otherwise agreed upon by Petitioner and the Town.

10. Stormwater Management & Drainage.

10.1 General. Petitioner agrees to construct and maintain all storm sewers, culverts and related drainage and stormwater management structures (at-grade and underground) required for Development of the Project.

10.2 Ownership. Following completion of construction and inspection by the Town, Petitioner may offer to dedicate certain stormwater management and drainage facilities to the Town concurrently with public dedication of the streets for the phase(s) or sections(s) in which such facilities are located. The Town shall have no obligations to accept any offer to dedicate stormwater management facilities, and the Petitioner and/or HOA shall be responsible to maintain and operate all stormwater facilities unless a particular stormwater facility or element is conveyed to the Town by an instrument accepted in writing by the Town.

10.3 Maintenance. All drainage and stormwater management facilities will be owned and maintained by the Petitioner and/or HOA unless and until accepted by the Town, at which time the Town shall assume responsibility for operation and maintenance for any specific stormwater facility provided that the Town has agreed in writing specifically to accept and maintain.

11. Town/Petitioner Agreements

11.1 Local Trades. Petitioner agrees to purchase supplies from local material supplies and/or employ local contractors and subcontractors (collectively, "Local Trades") for development of the Project, provided that the Local Trades are appropriately qualified and competitively priced. Upon request, Developer shall provide the Town with a list of the local trades and dollar volume of goods and services provided.

11.2 Capital Asset Impacts. After undertaking an impact study to evaluate the capital asset impact of the residential phases of the Project, the Town has determined that the general fund capital asset impacts caused by the development of the Project are equal to \$2,761 per Residential Dwelling Unit. In consideration of certain capital assets contributed directly to the Town such as the construction of the New Town Office Building, Public Works Improvements and other capital contributions set forth herein, the Town agrees to give the Petitioner a credit by waiving the impact fee assessed upon the first five hundred (500) Residential Dwelling Units.

Upon the issuance of the five hundred first (501st) residential building permit, Petitioner agrees to pay the Town \$2,761 per dwelling unit for all remaining Residential Dwelling Units within the Project. The impact fee shall be paid to the Town upon the issuance of the building permit for each such Residential Dwelling Unit.

11.3 Commercial Development Impact Fee. For any commercial development constructed within the Approved Phases, including development in any Storefront Areas and Village Center Areas, the Petitioner shall pay an impact fee based upon square footage of commercial space ("Commercial Development Impact Fee"), which shall be paid to the Town prior to the issuance of any building permit. The Commercial Development Impact Fee will only apply to any commercial development in the Approved Phases. The amount of the Commercial Development Impact Fee shall be based upon a commercial impact study to be commissioned by the Town, which study shall be funded by the Petitioner. Additional impact studies and impact fee adjustments for commercial development in additional Phases, including the regional commercial Phase, will be set forth in subsequent DRRA's, which will be required as a condition to the development of such additional Phases.

11.4 Easements. Petitioner and Town agree to grant to the other upon request, at no cost, rights-of-way or easements over their respective property in the event that such rights-of-way or easements shall be necessary for the installation, maintenance, replacement and/or removal of infrastructure related to Town services or utility services to the Project, including without limitation, roads, utility lines, and drainage improvements, provided the use of such easements will not interfere with the owner's use and enjoyment of the property.

12 Administration of Performance; Subsequent Development Approvals Implementing the Development Plan.

12.1 General. In addition to the Existing Development Approvals, completion of development in accordance with the Development Plan will require the approval of subsequent DRRA's, and issuance by Town of Subsequent Development Approvals, including, without limitation, PUD Plans, subdivision plats, site development plans, special exceptions, street vacations, grading permits, building permits, and occupancy permits. Town acknowledges and agrees that all such Subsequent Development Approvals required to implement and complete development in accordance with the Development Plan shall be acted upon in accordance with the vested rights granted to Petitioner by this Agreement. In acting on such Subsequent Development Approvals, Town shall act promptly, reasonably, and in accordance with the Development Plan and applicable Governmental Rules. Upon approval of erosion and sediment control plan(s) of a Phase and compliance with applicable law and regulations regarding ground surface disturbance, Town will review and issue grading permit(s) authorizing Petitioner to commence grading activities, at its own risk, prior to completion of review and approval of improvements plans and construction permits.

12.2 Timing. Within a reasonable period of time after receipt of an application for any Subsequent Development Approval, Town shall notify Petitioner in writing whether the application is complete, specifying any information required to make the application complete.

All ministerial Subsequent Development Approvals shall be approved and issued by Town within a reasonable period of time after Town certifies an application therefor as complete, provided such application complies with the Development Plan. The Town shall approve or conditionally approve any application for a non-ministerial Subsequent Development Approval within one hundred five (105) business days after Town certifies an application therefor as complete, provided such application complies with the Development Plan.

12.3 Expedited Processing. Town shall process all inspections, excavation, grading, building and street improvement permits, certificates of occupancy, utility connection authorizations, and other ministerial permits or approvals necessary, convenient or appropriate for the grading, excavation, construction, development, improvement, use and occupancy of the Project in a timely manner. Without limiting the foregoing, Town agrees to utilize private engineers, planners and inspectors selected by the Town (upon Petitioner's request and at Petitioner's expense) and any other available means to expedite the processing of Project applications, including, if appropriate, concurrent processing of such applications by various Town departments and/or consultants, all at Petitioner's expense.

12.4 Processing During Third Party Litigation. The filing of any Third Party lawsuit(s) against Town and/or Petitioner relating to this Agreement or to other development issues affecting any portion of the Property or the Project shall not hinder, delay or stop the development, processing or construction of the Project, approval of the Subsequent Development Approvals, or issuance of ministerial permits or approvals, unless the Third Party obtains a court order preventing the activity, provided, however, that Petitioner agrees to hold the Town harmless from all costs and expenses, including litigation expenses, investigation expenses, costs of defense, and legal fees incurred by the Town in order to defend or respond to such claims.

12.5 Plan Review. Plans for each primary and accessory structure on the Property shall be reviewed and approved by the Town prior to issuance of a building permit; provided, however, that, notwithstanding anything to the contrary contained in the Land Use Regulations application to the structure, the sole purpose of such review shall be to verify consistency with the Development Approvals and the Building and Improvement Standards. The Town shall approve all matters which are consistent with the Development Plan or are otherwise specifically approved by this Agreement if the same are otherwise consistent with applicable laws and the Land Use Regulations.

12.6 Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between Town and Petitioner. During the Term of this Agreement, clarifications of details or specific procedures of this Agreement and the Development Plan may be appropriate with respect to the details of performance of Town and Petitioner. If and when, from time to time, Town and Petitioner agree that such clarifications are necessary or appropriate, they shall effectuate such clarification through operating memoranda approved in writing by Town and Petitioner. Operating memoranda are not intended to and cannot constitute an amendment to this Agreement, but are mere interpretive or ministerial clarifications. Public notices and hearings for such non-substantive supplements shall not be required.

13 Good Faith Compliance Review

13.1 Review of Compliance: In accordance with this Section 13, once every other year, on or before each even numbered anniversary of the Effective Date, the Town Council shall review the extent of Petitioner's good faith substantial compliance with the terms and provisions of this Agreement as well as the performance by Town of its obligations under this Agreement ("Periodic Review"). Town shall notify Petitioner of the scheduled date of each Periodic Review at least ninety (90) calendar days prior to such date.

13.2 Good Faith Compliance. During each Periodic Review, Petitioner shall demonstrate by written status report that, during the preceding twenty-four (24) month period, that it has been in good faith compliance with this Agreement. For purposes of this Agreement, the phrase "good faith compliance" shall mean that Petitioner has demonstrated that it has acted in substantial compliance with the material provisions of this Agreement, and in a commercially reasonable manner (taking into account the circumstances which then exist).

13.3 Content of Petitioner's Status Report. Petitioner's written status report shall be submitted to Town at least twenty (20) business days prior to the scheduled date of the Periodic Review. The report shall include, in addition to the information submitted by Petitioner or requested by Town, the following:

- a. the total number of housing units developed, and the number, type and location of such units;
- b. infrastructure installed, by category and location;
- c. the status of participation by Petitioner and others in the provision of or financing of public infrastructure for the Project; and
- d. proposed dedications of infrastructure offered by Petitioner.

13.4 Information to be Provided to Petitioner. Town shall deliver to Petitioner a copy of all staff reports prepared in connection with a Periodic Review, any prior staff reports generated during the review period, written comments from the public and, to the extent practical, all related exhibits concerning such Periodic Review at least fifteen (15) business days prior to the Town Council's public proceedings considering a Periodic Review. Upon Petitioner's request, Petitioner shall be given a full and adequate opportunity to be heard in writing regarding its performance and, at its option, Town's performance under the Agreement prior to the completion of the Town Council's Periodic Review. Upon Petitioner's request, Petitioner may be heard orally at a Council meeting in accordance with the normal rules and policies regarding the meeting agendas.

13.5 Notice of Non-Compliance; Cure Rights. If, at the completion of any Periodic Review, the Town Council reasonably concludes, on the basis of "fairly debatable" evidence, that Petitioner is not in good faith compliance with a specific substantive term or provision of this Agreement, then the Town Council may issue and deliver to Petitioner a written Notice of

Default as set forth in Section 14.4 below. Petitioner may cure any matter set forth by the Notice of Default within the period established by Section 14.3.

13.6 Limitation on Town's Right to Modify or Terminate Agreement. Town shall not take any action to terminate or modify this Agreement except upon a reasonable showing of a failure of Petitioner to perform a material duty or obligation under this Agreement which has not been cured by Petitioner as provided under Section 13.5 of this Agreement.

13.7 Failure of Periodic Review. A party's failure to initiate or complete a Periodic Review of the compliance with the terms and conditions of this Agreement shall not constitute or be asserted by any Party or any Third Party as a breach by any Party of this Agreement.

14 Default and Remedies.

14.1 Petitioner Default. Petitioner shall be in default under this Agreement upon the happening of one or more of the following events or conditions:

- (a) if a material warranty, representation or statement made or furnished by Petitioner to the Town is false or proves to have been false in any material respect when it was made;
- (b) a finding and determination by the Town Council made following a Periodic Review that, based upon the Maryland "fairly debatable" evidence standard, that Petitioner has failed to comply in good faith with a material requirement of this Agreement, and Petitioner has failed to cure such failure as permitted by Section 13.5; or
- (c) An express written repudiation, refusal or renunciation of this Agreement, or any material provision thereof, by Petitioner.

Non-performance by Petitioner shall be excused and Petitioner shall not be in default when it is reasonably prevented or delayed by reasons of any act, event or condition reasonably beyond the control of Petitioner for any of the following reasons:

- i. the happening of or occurrence of any of the events specified in Section 16; or
- ii. inability after documented reasonable efforts to secure necessary labor, materials, tools, or delays of any contractor, subcontractor or supplier; or
- iii. inability to obtain and consummate necessary financing, or delays of any lender or third party relating thereto provided, however, that the total delay based upon this clause iii. shall not be excused beyond an aggregate of one year for each phase of the Project. Each time Petitioner determines that it intends to rely upon this clause iii., it shall give Town written notice of such intention setting forth the basis on which such period of reliance began and the basis for such reliance. Petitioner shall give written notice of the end of each period of such reliance. Petitioner may give such notice to Town at any time within two (2) years

from the date of commencement of such period of reliance and shall not be deemed to have waived its right to rely upon this clause iii. by any failure to give notice at any earlier time.

During any period of excusable delay or non-performance by the Petitioner, which is excused pursuant to subparagraphs i, ii, or iii above or Section 16 of this Agreement, the Town may, in its discretion, suspend any further consideration of pending Development Approvals, and the Town shall not be in default of its obligations. The parties agree that performance of this Agreement is intended to be mutual and reciprocal by the parties.

14.2 Town Default. Town shall be in default under this Agreement upon the happening of one or more of the following events or conditions:

(a) if a material warranty, representation or statement made or furnished to the Petitioner by the Town is false or proves to have been false in any material respect when it was made;

(b) the Town fails to comply in good faith with a material requirement of this Agreement; or

(c) an express written repudiation, refusal or renunciation of this Agreement by the Town Council.

14.3 Event of Default. In the event of a default and subject to extensions of time by mutual consent in writing, the Party charging the other with default shall send written notice to the defaulting Party as set forth by Section 14.4. If:

(a) the defaulting party does not cure such default within ninety (90) days following receipt of the written Notice of Default from the other Party, where such failure is of a nature which can be cured within such ninety (90) day period, or

(b) such failure is not of a nature which can be cured within such ninety (90) day period, and the defaulting Party does not within such ninety (90) day period commence reasonable efforts to cure such default, or thereafter does not within a reasonable time prosecute to completion with diligence and continuity the curing of such default,

and after expiration of such ninety (90) day period, the other Party to this Agreement may at its option institute legal proceedings pursuant to this Agreement. During the ninety (90) day period following receipt of a Notice of Default, the Party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

14.4 Notice of Default. Every Notice of Default shall be in writing and specify in detail that it is given pursuant to this Section of the Agreement, the nature of the failure(s) in performance which the noticing Party claims constitute(s) the default (including references to the pertinent provisions of this Agreement and applicable Governmental Rules), the portion of the Property involved, the materiality of the alleged default, and the manner in which such failure may be satisfactorily cured in accordance with the Provisions of this Agreement. A Notice of

Default shall be given and deemed received as set forth in Section 2.8. The time period to cure any matters identified by the Notice of Default shall commence upon the date that the Notice of Default is received.

14.5 Default by Petitioner; Town Remedies. In the event Petitioner is in default under the terms of this Agreement, Town shall have the right to exercise any of the following remedies:

- (a) to waive in its sole and absolute discretion such default as not material;
- (b) to refuse processing of an application for, or the granting of any permit, approval or other land use entitlement for development or construction of the portion of the Project or Phase thereof owned or controlled by the Petitioner in default, including but not limited to the withholding of any Development Approval or permit necessary for the continued development of the Project or Phase thereof;
- (c) to pursue all legal and equitable remedies provided for by law;
- (d) to terminate this Agreement as provided in Section 15 hereof;
- (e) to delay or suspend Town performance under this Agreement; and
- (f) to cure and charge back costs to Petitioner in emergency situations imposing, in the good faith determination of Town, an immediate danger to the health or safety of persons or danger to property, with such prior notice to Petitioner as is appropriate under the circumstances.

14.6 Default by Town; Petitioner Remedies. In the event Town is in default under the terms of this Agreement, Petitioner shall have the right to exercise any of the following remedies:

- (a) to waive in its sole and absolute discretion such default as not material;
- (b) to pursue all legal and equitable remedies provided for by law;
- (c) to terminate this Agreement as provided in Section 15 hereof;
- (d) to delay or suspend Petitioner performance under this Agreement.

15 Termination

15.1. Events and Manner of Termination. Because of the substantial reliance of both Petitioner and Town on the provisions of this Agreement in implementing the development of the Project, both Petitioner and Town desire to avoid termination of this Agreement when other appropriate remedies or procedures to resolve disputes or problems exist. Prior to termination, Town and Petitioner will meet and confer with the objective of attempting to arrive at a mutually acceptable alternative to termination, which substantially advances the objectives of both Parties

in entering into this Agreement. Accordingly, this Agreement may be terminated by a Party only under any one or more of the following circumstances:

- (a) by operation of Section 2.5 (Expiration of Term);
- (b) pursuant to Section 13 (Periodic Review);
- (c) by operation of Section 15.2 (Individual Residential Lots);
- (d) by operation of Section 15.3 (Completion of Development);
- (e) by operation of Section 20.3 (Severability);
- (f) pursuant to Section 4.7.2 (Failure to Obtain Third Party Approval), as to those portions of the Project for which such Third Party Approval cannot reasonably be obtained;
- (g) entry of a final, non-appealable judgment setting aside, voiding, annulling or otherwise invalidating this Agreement in its entirety;
- (h) upon mutual, written agreement by all Parties hereto; or
- (i) pursuant to Section 14.5(d) or 14.6(a), by a material default hereunder by a Party for which the non-defaulting Party in the good faith exercise of its judgment determines that other remedies hereunder are inadequate or not available to correct such default or provide substantial relief to the non-defaulting Party provided, however, that the non-defaulting Party desiring to terminate this Agreement shall first give written notice to the defaulting Party of its intent to terminate this Agreement. The Parties shall meet as set forth above. If the Parties cannot agree upon a mutually acceptable alternative, the matter shall be scheduled for consideration and review by the Town Council within sixty (60) days after such meeting(s), and if the default is not then resolved to the mutual satisfaction of the Parties, termination shall be effective thirty (30) days following such consideration by the Town Council.

15.2 Termination with Respect to Individual Lots. Notwithstanding any other provisions of this Agreement, this Agreement shall terminate with respect to any lot and such lot shall be released and shall no longer be subject to this Agreement without the execution and recordation of any further documentation once: (i) the final subdivision plat that created the lot has been recorded, and (ii) a use and occupancy permit for such lot has been issued by Town, and (iii) all infrastructure improvements necessary to support said lot have been constructed and are operating with Town approval.

15.3 Termination Upon Completion of Development. Unless otherwise agreed by the Parties, this Agreement shall terminate when the Property has been fully developed and all of Petitioner's obligations in connection with the Project are satisfied as mutually determined by Town and Petitioner, subject, however, to the provisions of Section 15.4 hereof.

15.4 Effect of Termination on Petitioner Obligations. Termination of this Agreement as to Petitioner of the Property or any portion thereof shall not affect any requirements to comply with the terms and conditions of the applicable zoning, any Development Plan approvals, approval and acceptance of infrastructure improvements, any applicable permit(s), or any subdivision plat or other land use entitlements approved with respect to the Property, nor shall it affect any other covenants of the Parties specified in this Agreement or any other development document, covenant or developer's agreement, to continue after the termination of this Agreement.

15.5 Effect of Termination on Development Approvals. Termination of this Agreement shall not affect or constitute termination of any of the Development Approvals for the Property in effect as of the date of final termination.

15.6 Effects of Termination on Town. Upon any termination of this Agreement as to Petitioner or the Property, or any portion thereof, the approvals, entitlements, conditions of development, limitations on fees and all other terms and conditions of this Agreement shall no longer be vested hereby with respect to the portion of the Property affected by such termination (although vesting of such approvals, entitlements, conditions or fees may, by then, otherwise be established for such property pursuant to applicable law) and Town shall no longer be limited, by this Agreement.

16 Excusable Delay; Extension of Time for Performance.

In addition to the specific provisions of this Agreement, performance by any Party of its obligations hereunder, other than payment of fees and other monetary assessments, shall be excused and shall not be deemed to be in default during any period of "Excusable Delay," as hereinafter defined, provided that the Party claiming the delay gives notice of the delay to the other Parties within thirty (30) days after the commencement of the delay or as soon as reasonably possible after the same has been ascertained. For purposes hereof, Excusable Delay shall mean delay that directly affects, and is beyond the reasonable control of, the Party claiming the delay, including, without limitation, delays or defaults due to:

- (a) all days of rainy weather in excess of the normal number of days of rainy weather for Easton, Maryland, as reflected in the most recent publication of "Local Climatological Data" by the National Climatic Data Center, and other Acts of God;
- (b) civil commotion;
- (c) war, acts of terrorism, or similar hostilities;
- (d) riot;
- (e) strike, walkout, picketing or other labor dispute (including the Party's employment force);

(f) damage to work in progress by reason of fire, flood, storm, earthquake or other casualty;

(g) lack of adequate utility service (except for utilities to be provided by Petitioner) for the Property to the extent it impacts the health, safety and welfare of the residents and businesses of the Property or Town or is caused by a Third Party;

(h) governmental entities other than Town, its departments, agencies, boards and commissions, including restrictions imposed or mandated by such governmental entities and failure of such governmental entities to perform acts or deeds necessary for the performance of this Agreement;

(i) court orders or actions (such as restraining orders or injunctions);

(j) enactment of conflicting state or federal laws or regulations, if and when such laws or regulations prohibit the development activity or approvals contemplated by this Agreement;

(k) litigation (including without limitation litigation contesting the validity, or seeking the enforcement or clarification of this Agreement, a Development Approval, or any other action necessary for development of the Property, whether instituted by Petitioner, Town, or any other person or entity);

(l) delays caused by any default by the other Party hereunder; or

(m) delays due to the presence or remediation of currently unknown hazardous materials.

17 Mortgagee Protection; Certain Rights of Cure.

This Agreement shall not prevent or limit Petitioner, in any manner, at Petitioner's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property or its development. Such mortgages shall be subordinate to the Town's interest with respect to any property intended to be owned or maintained by the Town, and the Town shall not be limited as to its rights with respect to such portions of the Property by this section of the Agreement or by any mortgage or deed of trust to which the Town is not a signatory. The Town acknowledges that the lenders providing such financing may require certain interpretations and modifications of this Agreement and agrees upon request, from time to time, to meet with Petitioner and representatives of such lenders to discuss in good faith any such request for interpretation or modification. Town will not unreasonably withhold its consent to any such requested interpretation or modification, provided such interpretation or modification is consistent with the intent and purposes of this Agreement, and is consistent with the public health, safety, and welfare, in the sole discretion of the Town. Subject to the foregoing, any Mortgagee, including without limitation the purchaser at a judicial or non-judicial foreclosure

sale or a person or entity who obtains title by deed-in-lieu of foreclosure on the Property shall be entitled to the following rights and privileges:

17.1 Mortgagee Protection. Subject to the subordination provisions set forth above, neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value. No Mortgagee shall have an obligation or duty under this Agreement to perform the Petitioner's obligations, or to guarantee such performance, prior to taking title to all or a portion of the Property.

17.2 Request for Notice to Mortgagee. The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, shall be entitled to receive from Town a copy of any Notice of Default delivered to Petitioner, provided that the Mortgagee has submitted a request in writing to Town in the manner specified herein for giving notices and the notice makes specific reference to this Section. If Town receives such a request from a Mortgagee, Town shall provide such Mortgagee with a copy of any Notice of Default that is sent to Petitioner concurrently with the sending of the Notice to Petitioner.

17.3 Mortgagee's Time to Cure. The Mortgagee shall have the right, but not the obligation, to cure the default for a period of ninety (90) days after receipt of such Notice of Default. Notwithstanding the foregoing, if such default shall be a default which can only be remedied by such Mortgagee obtaining possession of the Property, or any portion thereof, and such Mortgagee seeks to obtain possession, such Mortgagee shall have until ninety (90) days after the date of obtaining such possession to cure.

17.4 Mortgagee or Successor Rights. Any Mortgagee or transferee who takes title to all of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or a deed in lieu of foreclosure, shall succeed to the rights and obligations of Petitioner under this Agreement as to the Property or portion thereof so acquired; provided, however, in no event shall such Mortgagee be liable for any defaults or monetary obligations of Petitioner arising prior to acquisition of title to the Property by such Mortgagee, except as to public liens of record. A Mortgagee or its successors shall not be entitled to a development approval or permit or occupancy certificate until all delinquent and current fees and other monetary or nonmonetary obligations due under this Agreement for the Property, or portion thereof acquired by or through such Mortgagee, have been satisfied.

17.5 Mortgagee's Right to Interpretation. Prior to coming into possession of the Property, or any part thereof, any Mortgagee who has submitted a request in writing to Town in accordance with Section 17.2 above may request a written interpretation of this Agreement. The request shall be submitted to Town in writing in the manner specified herein for giving notices, shall identify the specific sections of the Agreement for which an interpretation is requested, and shall specify the reasons why an interpretation is requested. Town shall give its interpretation to Mortgagee within forty-five (45) days after receipt of the request.

17.6 Bankruptcy. If any Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature of foreclosure by any process or

injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceedings involving Petitioner, the times specified in Section 17.3 above shall be extended for the period of the prohibition, except that any such extension shall not extend the Term of this Agreement.

17.7 Disaffirmation. If, as a result of a bankruptcy proceeding, this Agreement is disaffirmed as to any portion of the Property by a receiver, liquidator, or trustee for Petitioner or its property, Town, if requested by any Mortgagee, shall negotiate in good faith with such Mortgagee for a new development rights and responsibilities agreement for the Project as to such portion of the Property with the most senior Mortgagee requesting such new agreement. This Agreement does not require any Mortgagee or Town to enter into a new development rights and responsibilities agreement pursuant to this Section.

17.8 Public Expenses and Liens for Taxes, Fees, Utilities, Etc. Nothing contained in this Agreement shall insulate the Property, or any lot, parcel, or portion thereof, from public or judicial sale for failure to pay any taxes, fees, expenses, utility charges, or related public liens and expenses, or judgments.

18 Estoppel Certificates.

Either Party may at any time, and from time to time, deliver written notice to the other requesting that the other certify in writing (substantially in the form of the Estoppel Certificate attached as Exhibit H) that, to the knowledge of the certifying Party: (i) this Agreement is in full force and effect and is a binding obligation of the Parties, (ii) this Agreement has not been amended or, if amended, identifying the each amendment, and (iii) the requesting Party is not in breach of this Agreement or, if in default, the nature and extent of each default. The Petitioner or its successors shall reimburse the Town for consulting and legal expenses in complying with any such request.

The Party receiving a request hereunder shall execute and return the certificate within forty-five (45) days following receipt of the notice. The failure to deliver such a certificate within such time shall constitute a conclusive presumption that, except as may be represented by the requesting Party, this Agreement is in full force and effect without amendment and there are no uncured defaults in the performance of the requesting Party. Town acknowledges and agrees that any certificate issued hereunder by Town may be relied upon by Petitioner's successors-in-interest and Mortgagees.

19. Conflicts of Law

19.1 Conflict with State or Federal Laws or Action of Other Governmental Jurisdiction. In the event that any State, federal or other applicable law or regulation enacted after the Effective Date, or any governmental action, other than an action by Town, taken after the Effective Date, prevents or precludes compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended by Town as may

be necessary to comply with such State or federal law or regulation or non-Town governmental action; provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws, regulations or non-Town governmental action and to the extent such laws, regulations or non-Town governmental action do not render such remaining provisions impractical to enforce. Town also agrees to process Petitioner's proposed changes to the Project as may be necessary to comply with such State or federal or other applicable law and to process such proposed Project changes in accordance with Town procedures and findings.

19.2 Notice. Neither Party shall claim that a conflict, as described in Section 19, exists, unless that Party has given the other Party at least thirty (30) days written notice of the conflict. The notice shall identify the law, regulation or non-Town governmental action, the date the law or regulation was enacted or the date the non-Town governmental action was taken, and the manner in which the law, regulation or non-Town governmental action conflicts with one or more provisions of this Agreement.

19.3 Modification Conference. Within forty five (45) days after notice is given as provided in Section 19, Town and Petitioner shall agree to meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such law, regulation or non-Town governmental action. In such negotiations, Town and Petitioner agree to preserve the terms of this Agreement and the rights of Parties as derived from this Agreement to the maximum feasible extent while resolving the conflict. Town and Petitioner agree to cooperate with each other in resolving the conflict in a manner that minimizes any financial impact of the conflict upon Petitioner and Town.

19.4 Town Council Consideration. Within thirty (30) business days after the modification conference, regardless of whether the Parties reach an agreement on the effect of such law or regulation upon this Agreement, the matter shall be scheduled for hearing before the Town Council. Notice of such hearing shall be given pursuant to the Development Agreement Statute and Enabling Ordinance. The Town Council, at such hearing, shall consider the exact modification or suspension that shall be necessitated by such law, regulation or non-Town governmental action. Petitioner shall have the right to offer oral and written testimony at the hearing. No modification or suspension of this Agreement shall be effective unless approved by the affirmative vote of not less than a majority of the authorized voting members of the Town Council and by Petitioner.

19.5 Cooperation in Securing Permits or Approvals. Provided the Town Council and Petitioner agree to a modification or suspension of this Agreement pursuant to Section 19.3, Town shall use its best efforts to assist Petitioner in the timely securing of any permits or approvals which may be required as a result of such modifications to, or suspensions of, all or any part of this Agreement.

19.6 Challenge Regarding New Law or Regulation. Petitioner and/or Town shall have the right to challenge by appropriate judicial proceedings any such new law, regulation or non-Town governmental action preventing compliance with the terms of this Agreement. In the event that such challenge is successful, this Agreement shall remain unmodified and in full force and effect.

20 Miscellaneous Provisions

20.1 Recordation of Agreement. This Agreement shall be recorded in the County Land Records within twenty (20) days of the latest Execution Date of this Agreement, at the Petitioner's expense.

20.2 Entire Agreement. This Agreement and the other fully executed agreements referred to herein embody and constitute the entire understanding between the Parties with respect to the transactions contemplated herein, and all prior oral, understandings, representations and statements, are merged into this Agreement.

20.3 Severability. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a specific situation, is found to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect and, if possible, the parties shall amend this Agreement so as to effect the original intention of the parties.

20.4 Governing Law. This Agreement and the actions of the parties hereunder shall in all respects be governed by and construed in accordance with the laws of the State of Maryland.

20.5 Incorporation of Exhibits and Other Documents by Reference. All exhibits and other document attached to or referred to in this Agreement are incorporated herein by reference for the purposes set forth herein.

20.6 Cross-Reference; Headings. When a reference is made in this Agreement to an article, section, paragraph, clause, schedule or exhibit, such reference shall be deemed to be to this Agreement unless otherwise indicated. The headings and captions used in this Agreement are for convenience and ease of reference only and shall not be used to interpret, expand or limit the terms of this Agreement.

20.7 Rules of Construction and Interpretation. Any term used in an exhibit hereto shall have the meaning as in this Agreement unless otherwise defined in such exhibit. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory; "may" is permissive. "Herein", "hereby", "hereunder", "hereof", "hereinbefore", "hereinafter" and other equivalent words refer to this Agreement and not solely to the particular portion thereof in which any such word is used. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation".

20.8 No Party Deemed Drafter. The final language of this Agreement is the result of extensive negotiations. Each Party has thoroughly reviewed and revised this Agreement and has had the advice of counsel prior to execution hereof, and the Parties agree that neither of them shall be deemed to be the drafter thereof.

20.9 Business Days. If any date or any period provided in this Agreement ends on a Saturday, Sunday or legal holiday, the applicable period for calculating the date or period shall be extended to the first business day following such Saturday, Sunday or legal holiday.

20.10 Consent. Where a consent or approval of either Party is required or necessary under this Agreement, such consent or approval shall not be unreasonably withheld.

20.11 Waivers. Any failure by a Party hereto to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such Party will have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate officers of Town or Petitioner, as the case may be, as set forth by Section 2.7. Any such written waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

20.12 Reservation of Rights. To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges and immunities under applicable laws.

20.13 No Third-Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors-in-interest. No other person shall have any right of action based upon any provision of this Agreement. Nothing in this Agreement, nor any act of either Party, shall be deemed or construed by either of them, or by Third Parties, to create any third-party rights, except as provided by any Assignment and Assumption Agreement.

20.14 Voluntary Payments. The Parties acknowledge that the provisions of this Agreement have been entered into voluntarily and for their mutual benefit and interest. Petitioner agrees that all fees, payments, exactions or other financial or economic contributions, or agreements to pay such fees, payments, exactions, or economic contributions, have been made freely and voluntarily by the Petitioner. Petitioner covenants and agrees that it will not challenge such fees, charges, payments or other contributions, in any judicial or administrative proceeding.

20.15 Attorneys' Fees and Consulting Fees. The Petitioner, or successor, who makes any request to the Town for modification, change, review, Periodic Review, or any other consideration or reconsideration of this Agreement, shall reimburse the Town for its attorney's fees and costs, and any other professional or consulting fees (including, for instance, by way of example, engineering fees, planning consultant's fees, hydrogeologist fees, etc.), arising as a result of the request. In the event any action, suit or proceeding is brought by a Party or a Third Party or a stranger to this Agreement, for the enforcement or declaration of or challenge of any right or obligation pursuant to, or as a result of any alleged breach of, this Agreement, the Town shall be entitled to reimbursement of all professional fees, including attorney's fees, costs and expenses and litigation expenses incurred by the Town (and its agencies), and any judgment, order or decree rendered in such action, suit or proceeding shall include an award thereof. In the event of a determination that the Town has acted in a manner inconsistent with this Agreement,

and in bad faith or without substantial justification, the Town shall not be entitled to indemnity or reimbursement for its legal fees, costs, and expenses.

Attorneys' fees under this section shall include attorneys' fees on any appeal and any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

20.16 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the Party benefited thereby of the covenants to be performed hereunder by such benefited Party.

20.17 Counterparts. This Agreement may be executed by the Parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

20.18 Project as a Private Undertaking. It is understood and agreed by and between the Parties that: (a) the Project is a private development; (b) neither Party is acting as the agent of the other in any respect hereunder; (c) each Party is an independent contracting entity with respect to the provisions of this Agreement; (d) Town has no interest in or responsibilities for any improvements to the Property unless and until Town accepts the improvements pursuant to the provisions of this Agreement or in connection with any subdivision approvals; and (e) Petitioner shall have the full power and exclusive control of the Petitioner's Property subject to applicable law and regulation and the obligations of Petitioner set forth in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement.

20.19 Further Actions and Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either Party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such instruments and other writings and take such actions as may be reasonably necessary to carry out the intent or fulfill the provisions of this Agreement or to evidence or consummate any transaction contemplated by this Agreement. Without in any manner limiting the specific rights and obligations set forth in this agreement, the parties hereby declare their intention to cooperate with each other and affecting the terms of this Agreement, and to coordinate the performance of their respective obligations under the terms of this Agreement.

20.20 Covenant of Good Faith and Fair Dealing. Neither Party shall do anything that shall have the effect of harming or injuring the right of the other Party to receive the benefits of this Agreement. Each Party shall refrain from doing anything that would render its performance under this Agreement impossible or impracticable. Each Party shall do everything that this Agreement contemplates such Party shall do to accomplish the intent and to fulfill the provisions of this Agreement.

20.21 Description of Required Permits. Permits required or already approved for the Development of the Property are identified by Exhibit F.

20.22 No Obligation to Develop. It is understood that Petitioner's development of the Project depends upon a number of factors including, but not limited to, the housing and commercial markets, the availability of financing, and the general economic climate of the area. Nothing in this Agreement shall be construed as requiring Petitioner to develop the Project, and any failure to develop the Project shall not be deemed a default of Petitioner under this Agreement, except that no building permits will be issued for any structure unless and until the public infrastructure, utilities, and amenities intended to support and benefit such structures have been constructed, or the construction and completion thereof have been secured to the satisfaction of the Town.

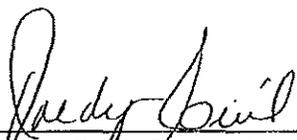
20.23 Not a Public Dedication. Except as otherwise expressly provided herein, nothing herein contained shall be deemed to be a gift or dedication of the Property or of the Project or any portion thereof, to the general public, for the general public or for any public use or purpose whatsoever, it being the intention and understanding of the parties that this Agreement be strictly limited to and for the purposes herein expressed for the development of the Project as private property. Except for any portion of the Property which has been conveyed to Town by Petitioner, or which is identified upon final approved site plan or subdivision plat as public open space, or for public access, or is subject to public use easements, Petitioner shall have the right to prevent or prohibit the use of the Property, or the Project, or any portion thereof, including common areas and buildings and improvements located thereon, by any person for any purpose which is not consistent with the development of the Project. Any portion of the Property conveyed to Town by Petitioner as provided herein shall be held and used by Town only for the purposes contemplated herein or otherwise provided in such conveyance, and Town shall not take or permit to be taken (if within the power or authority of Town) any action or activity with respect to such portion of the Property that would deprive Petitioner of the material benefits of this Agreement, or would in any manner interfere with the development of the Project as contemplated by this Agreement.

21 Signatures

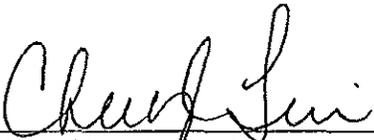
IN WITNESS WHEREOF, Petitioner and Town have executed this Agreement on the dates set forth below.

WITNESS:

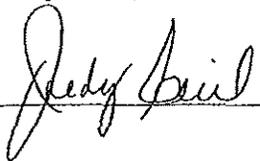
THE TOWN OF TRAPPE, a Maryland Municipal Corporation



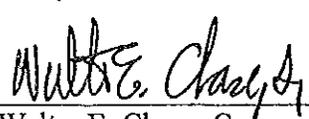
Joedy Cecil, Town Clerk

By:  3/1/06

Cheryl Lewis, President Date



Joedy Cecil, Town Clerk

By:  3/1/06

Walter E. Chase, Commissioner Date

By: Daniel M Adams 3-1-06
Daniel M. Adams, Commissioner Date

E. Josephine Sevil

By: C. Donald English 3/1/06
C. Donald English, Commissioner Date

E. Josephine Sevil

By: Norman Fegel 3/1/06
Norman Fegel, Commissioner Date

APPROVED AS TO FORM:

By: Bryana M. Booher
~~David R. Thompson, Esq.~~ Bryana M. Booher
Town Attorney

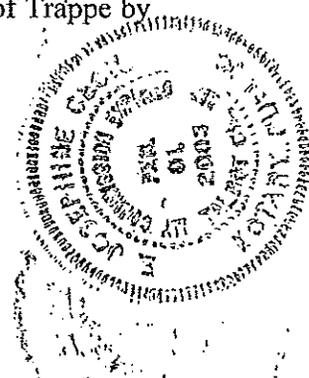
STATE OF MARYLAND, COUNTY OF TALBOT, TO WIT:

I HEREBY CERTIFY, that on this 1st day of March, 2006, before me, a Notary Public of the State aforesaid, personally appeared CHERYL LEWIS, who acknowledged herself to be the President of the Town of Trappe, a Maryland municipal corporation, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Development Rights and Responsibilities Agreement, and acknowledged that she executed the same for the purposes therein contained as the fully authorized agent of said Town of Trappe by signing the name of the Town by herself as President.

IN WITNESS WHEREOF my hand and Notarial Seal.

E. Josephine Sevil
Notary Public

My Commission expires: 02/01/08



STATE OF MARYLAND, COUNTY OF TALBOT, TO WIT:

I HEREBY CERTIFY, that on this 1st day of March, 2006, before me, a Notary Public of the State aforesaid, personally appeared WALTER E. CHASE, who acknowledged himself to be Commissioner of the Town of Trappe, a Maryland municipal corporation, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Development Rights and Responsibilities Agreement, and acknowledged that he

executed the same for the purposes therein contained as the fully authorized agent of said Town of Trappe by signing his name as Commissioner.

IN WITNESS WHEREOF my hand and Notarial Seal.

E. Josephine Seul
Notary Public



My Commission expires: 02/01/08

STATE OF MARYLAND, COUNTY OF TALBOT, TO WIT:

I HEREBY CERTIFY, that on this 1st day of March, 2006, before me, a Notary Public of the State aforesaid, personally appeared DANIEL M. ADAMS, who acknowledged himself to be Commissioner of the Town of Trappe, a Maryland municipal corporation, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Development Rights and Responsibilities Agreement, and acknowledged that he executed the same for the purposes therein contained as the fully authorized agent of said Town of Trappe by signing his name as Commissioner.

IN WITNESS WHEREOF my hand and Notarial Seal.

E. Josephine Seul
Notary Public



My Commission expires:

STATE OF MARYLAND, COUNTY OF TALBOT, TO WIT:

I HEREBY CERTIFY, that on this 1st day of March, 2006, before me, a Notary Public of the State aforesaid, personally appeared C. DONALD ENGLISH, who acknowledged himself to be Commissioner of the Town of Trappe, a Maryland municipal corporation, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Development Rights and Responsibilities Agreement, and acknowledged that he executed the same for the purposes therein contained as the fully authorized agent of said Town of Trappe by signing his name as Commissioner.

IN WITNESS WHEREOF my hand and Notarial Seal.

E. Josephine Seul
Notary Public



My Commission expires: 02/01/08

STATE OF MARYLAND, COUNTY OF TALBOT, TO WIT:

I HEREBY CERTIFY, that on this 1st day of March, 2006, before me, a Notary Public of the State aforesaid, personally appeared NORMAN FEGEL, who

acknowledged himself to be Commissioner of the Town of Trappe, a Maryland municipal corporation, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Development Rights and Responsibilities Agreement, and acknowledged that he executed the same for the purposes therein contained as the fully authorized agent of said Town of Trappe by signing his name as Commissioner.

IN WITNESS WHEREOF my hand and Notarial Seal.

E. Joseph Paul
Notary Public



My Commission expires: 02/01/08

WITNESS:

PETITIONER

TRAPPE EAST LLC, a Maryland limited liability company

[Signature]

By: Nicholas P.H. Rocks 3-1-06
Allen & Rocks, Inc., its Manager Date
By: Nicholas P.H. Rocks, President

LUTHY PROPERTIES LLC, a Maryland limited liability company

[Signature]

By: Nicholas P.H. Rocks 3-1-06
Allen & Rocks, Inc., its Manager Date
By: Nicholas P.H. Rocks, President

LYONS TRAPPE LLC, a Maryland limited liability company

[Signature]

By: Nicholas P.H. Rocks 3-1-06
Allen & Rocks, Inc., its Manager Date
By: Nicholas P.H. Rocks, President

WHITEMARSH FARM LLC, a Maryland limited liability company

Jan D. Allen

By: Nicholas P.H. Rocks 3-1-06
Allen & Rocks, Inc., its Manager Date
By: Nicholas P.H. Rocks, President

TRAPPE OCEAN GATEWAY LLC, a Maryland limited liability company

Jan D. Allen

By: Nicholas P.H. Rocks 3-1-06
Allen & Rocks, Inc., its Manager Date
By: Nicholas P.H. Rocks, President

BARBER ROAD ADDITION LLC, a Maryland limited liability company

Jan D. Allen

By: Nicholas P.H. Rocks 3-1-06
Allen & Rocks, Inc., its Manager Date
By: Nicholas P.H. Rocks, President

TRAPPE WISE LLC, a Maryland limited liability company

Jan D. Allen

By: Nicholas P.H. Rocks 3-1-06
Allen & Rocks, Inc., its Manager Date
By: Nicholas P.H. Rocks, President

SLAUGHTER LAND LLC, a Maryland limited liability company

Ryan D. Showalter

By: Nicholas P.H. Rocks 3-1-06
Allen & Rocks, Inc., its Manager Date
By: Nicholas P.H. Rocks, President

APPROVED AS TO FORM:

By: Ryan D. Showalter
Ryan D. Showalter, Esq.
Attorney for Petitioner

STATE OF MARYLAND, COUNTY OF TALBOT to wit:

On this 1st day of March 2006, before me, the undersigned officer, personally appeared NICHOLAS P.H. ROCKS, who acknowledged himself to be the President of Allen & Rocks, Inc., a Delaware corporation (the "Corporation"), which corporation is the Manager of LUTHY PROPERTIES LLC, LYONS TRAPPE LLC, WHITEMARSH FARM LLC, TRAPPE OCEAN GATEWAY LLC, BARBER ROAD ADDITION LLC, TRAPPE WISE LLC and SLAUGHTER LAND LLC, all Maryland limited liability companies (collectively, the "Companies"), and that he as such President of such corporation, acting as Manager of the Companies, and being authorized so to do, executed the foregoing Development Rights and Responsibilities Agreement for the purposes therein contained by signing the name of the Corporation by himself as President of the Corporation, acting as Manager of the Companies.

EJC
TRAPPE EAST LLC

In witness whereof I hereunto set my hand and official seal:

E. Josephine Seal
Notary Public

My Commission Expires: February 1, 2008



EXHIBIT "A"

TRAPPE PLANNING COMMISSION
RESOLUTION NO. 2005-02

**A RESOLUTION OF THE TRAPPE PLANNING COMMISSION
CONFIRMING THAT THE TRAPPE EAST DEVELOPMENT RIGHTS AND
RESPONSIBILITIES AGREEMENT IS CONSISTENT WITH THE
COMPREHENSIVE PLAN OF THE TOWN OF TRAPPE**

WHEREAS, on October 5, 2005, the purchasers and developers (collectively, the "Petitioners")¹ of lands annexed by the Town pursuant to Town Resolution No. 7-2002 and proposed to be developed under the Planned Neighborhood zoning district as a project currently referenced as "Trappe East" petitioned the Trappe Town Council to enter into a Development Rights and Responsibilities Agreement ("DRRA") related to the development of Trappe East;

WHEREAS, Article 66B, Section 13.01, of the Annotated Code of Maryland and Section 4 of Town Ordinance No. 2-2003 provide that the Trappe Town Council may not enter into a DRRA unless the Trappe Planning Commission ("Planning Commission") determines whether the proposed DRRA is consistent with the Town's Comprehensive Plan;

WHEREAS, on October 5, 2005, the Trappe Town Council referred the proposed Trappe East DRRA to the Trappe Planning Commission for review; and

WHEREAS, on October 19, 2005, during its regularly scheduled public meeting, the Planning Commission reviewed the DRRA in comparison with the Comprehensive Plan, received public comment and discussed potential modifications to the DRRA.

NOW, THEREFORE, following due consideration, the Planning Commission hereby resolves, finds and recommends as follows:

1. DRRA Consistency with Comprehensive Plan. For the following reasons, the DRRA submitted by the Petitioners is approved as consistent with the Comprehensive Plan of the Town of Trappe:

- a. The Planning Commission previously reviewed and recommended approval of the application for Planned Neighborhood zoning and PUD plan for the ~~Trappe East project. The Planning Commission's findings and recommendations regarding that application confirmed that the development plans for Trappe East, which are incorporated in and a primary component of the DRRA, are consistent with the Comprehensive Plan. Accordingly, this resolution incorporates the Planning Commission's previous findings relevant to the development and land uses~~

¹ The Petitioners include Trappe East LLC, Luthy Properties LLC, Lyons Trappe LLC, Whitemarsh Farm LLC, Trappe Ocean Gateway LLC, Barber Road Addition LLC, Trappe Wise LLC, and Slaughter Land LLC.

contemplated by the DRRA. The balance of this resolution addresses other provisions of the DRRA.

b. The land that is subject to the DRRA is located with Planned Growth Area defined by Map 3-1 and was annexed to the Town;

c. As recommended by Sections 1.7, Section 9 of the DRRA provides for the construction of a "new sewerage treatment system, financed by the developers or property owners to be served thereby, utilizing modern land application technology." The wastewater provisions of the DRRA are also consistent with Section 5.1, Sewer System Improvements of the Comprehensive Plan, which provides: "Areas shown as planned annexation areas will be required to develop separate sewer facilities if the existing town WWTP cannot be expanded to adequately provide service. The Town will support this approach provided new sewer treatment facilities are based on land application treatment of effluent."

d. Section 8 of the DRRA is consistent with Section 5.2 of the Comprehensive Plan, which states "[p]lanned annexation areas will be required to add water supply, storage and treatment facilities to the Town water system as needed to adequately provide service. Section 8 provides for the construction of wells, water storage, treatment and distribution facilities to serve Trappe East at no expense to existing residents.

e. The transportation provisions of Section 7 of the DRRA are consistent with Sections 2.3.2, 2.3.5, and 4 of the Comprehensive Plan. The DRRA confirms that the new development will be responsible for the cost of off-site road improvements necessitated by the proposed development, including the cost of upgrading County roads that become part of the Town street system. The DRRA also provides for additional signalized intersections and a potential pedestrian overpass to reduce the "barrier effect of US 50 on [the Trappe] community".

f. Sections 5 and 11.2 of the DRRA address the public services recommendations established by Sections 2.3.3, 2.3.7, 5.4, 5.5 and 5.6 of the Comprehensive Plan. The DRRA specifically describes the Petitioners' economic responsibilities for providing and/or maintaining adequate public facilities and services, including:

i. Adequate water, sewer and stormwater systems are addressed by Sections 8-10 of the DRRA;

ii. Police protection - Section 5.4 of the DRRA provides for the establishment of a Town police department, as recommended by Section 5.5 of the Comprehensive Plan;

iii. Fire protection and ambulance service -- DRRA Sections 5.3 and 5.5 provide for construction of ambulance facilities, improvements to the

Trappe Volunteer Fire Department ("TVFD") facilities and service equipment and the establishment of a permanent funding source for the TVFD; and

iv. Facilities for community recreation and administrative and meeting space – Various provisions of the DRRA, including Sections 5.3, 5.8 and 6, address the Community Recreation and Public Buildings and Facilities provisions (Sections 5.4 and 5.6) of the Comprehensive Plan.

g. The entire DRRA is consistent with the fiscal policies described by Sections 2.3.7 and 7.2 of the Comprehensive Plan, because the DRRA establishes Petitioners' (e.g., "developers and newcomers") specific responsibilities to bear the "infrastructure costs associated with the need to provide, or replace, capacity to service new residents".

In summary, the Planning Commission finds that the land uses contemplated and the obligations established by the DRRA are consistent with the Town Comprehensive Plan, including the visions, objectives and recommendations for planned development of the Trappe East portion of the Town's growth area.

2. DRRA Modifications. The Planning Commission recommends that the Town Council review and revise, if appropriate, the following provisions of the proposed DRRA:

- a. Section 1.1.15 – Revise to correct apparent typographical error ("date last");
- b. Section 6.2 – Revise to clarify Town's ability to obtain ownership of the lakebed, if desired;
- c. Section 8.8 – Review provisions regarding meter reading and Petitioners' payment for administrative expenses (meter reading and billing) related to water facilities; and
- d. The Planning Commission also discussed, but made no recommendation regarding, the impact fee credit provisions of Section 11.2.

I hereby certify that the above Resolution was passed by a yea and nay vote of the Planning Commission this 16th day of November, 2005.

Harrison -
Adams -
Fegel -
Haring -
Quidas -

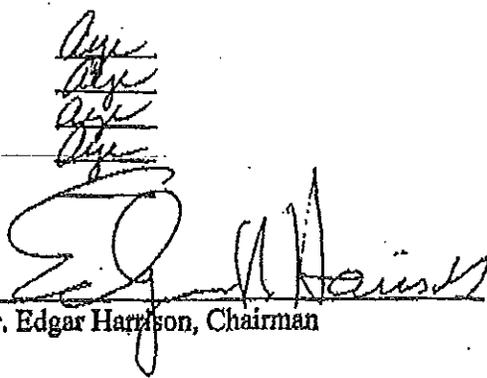

Mr. Edgar Harrison, Chairman

EXHIBIT "B"

ORDINANCE NO. 8-2005

INTRODUCED BY WALTER CHASE

AN ORDINANCE OF THE TOWN OF TRAPPE APPROVING AND ADOPTING A DEVELOPMENT RIGHTS AND RESPONSIBILITIES AGREEMENT BY AND BETWEEN THE TOWN OF TRAPPE AND TRAPPE EAST LLC, LUTHY PROPERTIES LLC, LYONS TRAPPE LLC, WHITEMARSH FARM LLC, TRAPPE OCEAN GATEWAY LLC, BARBER ROAD ADDITION LLC, TRAPPE WISE LLC AND SLAUGHTER LAND LLC, PURSUANT TO TRAPPE ORDINANCE NO. 2-2003

WHEREAS, under the authority granted it by Article 66B, §13.01 of the Maryland Annotated Code, the Town of Trappe adopted Ordinance No. 2-2003, which enables the Trappe Town Council to consider and enter into development rights and responsibilities agreements;

WHEREAS, Trappe East, LLC, Luthy Properties, LLC, Lyons Trappe, LLC, Whitemarsh Farm, LLC, Trappe Ocean Gateway, LLC, Barber Road Addition, LLC, Trappe Wise, LLC and Slaughter Land, LLC (collectively the "Petitioner") petitioned the Town Council to enter into a development rights and responsibilities agreement (the "DRRA") regarding the development of a project currently referenced as "Trappe East" on a significant portion of the lands annexed pursuant to Town Resolution No. 7-2002 (the "Petition");

WHEREAS, the Town Council reviewed the proposed DRRA and received public comments during workshops and hearings held on October 12 and 26 and November 16, 2005;

WHEREAS, following a public hearing on November 16, 2005, the Trappe Planning Commission considered, found the DRRA to be consistent with the Comprehensive Plan of the Town of Trappe and recommended approval of the DRRA with certain amendments as evidenced by Planning Commission Resolution No. 2005-2;

WHEREAS, the proposed DRRA was modified to address comments from all previous hearings and workshops and recommendations of the Planning Commission, which is attached to this Ordinance as Exhibit "A"; and

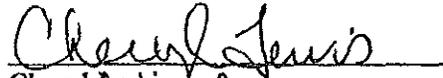
WHEREAS, the Town Council conducted a public hearing on this Ordinance and the attached DRRA on January 4, 2006; and

WHEREAS, the Town Council finds that the DRRA as attached hereto, complies with Ordinance No. 2-2003 and is consistent with the Trappe Comprehensive Plan;

NOW, THEREFORE, the Town Council of the Town of Trappe hereby ordains:

Section 1. The DRRA attached hereto as Exhibit "A" is hereby adopted and approved, and the DRRA shall be promptly executed by the Town Council.

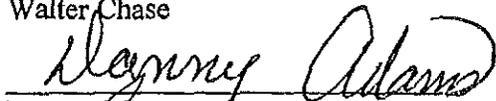
Section 2. In accordance with Article II, Section 209 of the Trappe Town Charter, this ordinance shall become effective twenty (20) calendar days after approval by the Town Council.



Cheryl Lewis



Walter Chase



Danny Adams



Norm Fege



Donald English

I hereby certify that the foregoing Ordinance Number 8-2005 of the Town of Trappe was duly read, advertised, and enacted in accordance with the applicable provisions of the Charter of the Town of Trappe.

Attest:


Joedy Cecil, Clerk/Treasurer
Town of Trappe

EXHIBIT "C"

PLAT OF PROPERTY

Survey plat prepared by McCrone, Inc., titled "Proposed Perimeter of a Planned Unit Development in the Town of Trappe", dated Dec. 2003, a copy of which is attached hereto.

Notes:
 1. The area of the proposed planned unit development project is shown in black on this plan.
 2. All dimensions are given in feet and inches.
 3. The area of the proposed planned unit development project is shown in black on this plan.
 4. The area of the proposed planned unit development project is shown in black on this plan.
 5. The area of the proposed planned unit development project is shown in black on this plan.
 6. The area of the proposed planned unit development project is shown in black on this plan.
 7. The area of the proposed planned unit development project is shown in black on this plan.
 8. The area of the proposed planned unit development project is shown in black on this plan.
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 10. The area of the proposed planned unit development project is shown in black on this plan.

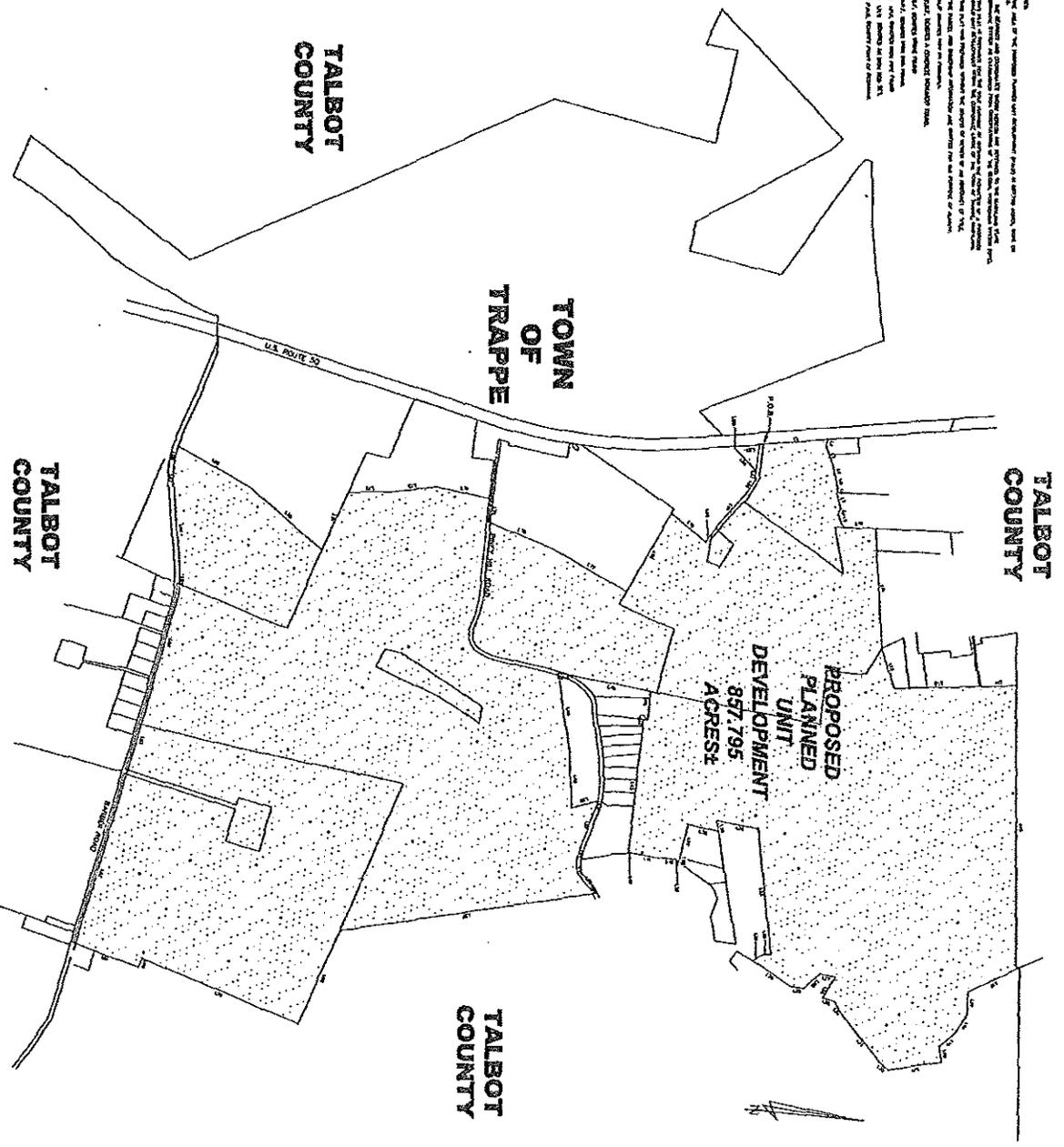


TABLE OF PERIMETERS, COURSES & DISTANCES

| NO. | DESCRIPTION | DISTANCE | BEARING |
|-----|-------------|----------|---------|
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| | | | |
|--|--|--|---|
| PROPOSED PERMITS OF A PLANNED UNIT DEVELOPMENT IN THE THE TOWN OF TRAPPE THIRD ELECTRON DISTRICT, TALBOT COUNTY, MARYLAND PREPARED FOR ROBERT D. RAUCH & ASSOCIATES, P.C. | DATE: 08/20/08 BY: [Signature] CHECKED BY: [Signature] | SCALE: AS SHOWN DRAWN BY: [Signature] | McCRONE ENGINEERING & ENVIRONMENTAL SCIENCES LAND PLANNING & SURVEYING & CONSTRUCTION SERVICES 202 NORTH LIBERTY STREET SUITE 100 GREENBELT, MARYLAND (410) 754-2232 |
| | TITLE: [Blank] | SHEET: [Blank] | |

EXHIBIT "D"

LEGAL DESCRIPTION OF PROPERTY

October 19, 2005

**DESCRIPTION OF 857.795 ACRES OF LAND, MORE OR LESS,
LANDS OF A PLANNED UNIT DEVELOPMENT IN THE TOWN OF TRAPPE,
THIRD ELECTION DISTRICT, TALBOT COUNTY, MARYLAND**

BEGINNING for the same at a point located at the intersection of the easterly right-of-way line of U. S. Route 50 (120 feet wide) and the northerly outline of the lands now or formerly of D. Estelle Slaughter and Elizabeth Slaughter (see 543/61 and 559/56) said point of beginning being further located North 89° 16' 53" West 0.29 feet from a concrete monument found;

THENCE leaving said beginning point so fixed and binding on said easterly right-of-way line of U.S. Route 50;

- 1) North 09° 50' 28" West 664.17 feet to a point at the intersection of the southerly outline of the lands now or formerly of Miriam Brooks and Vernon Brooks (see 381/194);

THENCE leaving U. S. Route 50 and binding on said lands of Brooks;

- 2) South 85° 42' 48" East 77.37 feet to an iron post found, passing over a concrete monument found after a distance of 0.94 feet;

THENCE binding on the aforesaid Brooks land and the lands now or formerly of Nathaniel O. Wells (see 388/363);

- 3) North 62° 47' 19" East 229.99 feet to iron post found;

THENCE continuing to bind with the aforesaid Brooks outline and the southernmost outline of the lands now or formerly of Nathaniel O. Wells (see 388/363), the three (3) following courses and distances;

- 4) North 76° 01' 16" East 95.08 feet to an iron post and;
- 5) North 74° 35' 24" East 119.30 feet to a concrete monument found at the southwesternmost corner of the lands now or formerly of Joseph Henry Lee Thomas, et al. (see 734/560),

THENCE binding on the southerly outline of said lands of Joseph Henry Lee Thomas, et al., the four (4) following courses and distances;

- 6) North 88° 57' 04" East 63.42 feet to an iron post;
- 7) North 70° 19' 21" East 149.55 feet to a rod and cap found;
- 8) South 77° 25' 18" East 64.82 feet to an iron post and;
- 9) North 64° 01' 15" East 144.45 feet to a concrete monument found on the westerly outline of on the lands now or formerly of W. Harold Lyons and Patricia M. Lyons (see 559/369);

THENCE binding on a portion of the westernmost and northernmost outlines of the lands of said Lyons, following two (2) following courses and distances;

- 10) North 03° 21' 18" West 331.06 feet to an iron rod set;
- 11) North 80° 50' 10" East 1,235.06 feet to an iron rod found along the westernmost outline of the lands now or formerly of Fox Hall, Inc. (see 601/235);

THENCE leaving the lands of Lyons and binding on the westernmost outlines of the aforesaid lands of Fox Hall, Inc., the three (3) following courses and distances;

- 12) North 67° 16' 13" East 432.04 feet to an iron rod found;
- 13) North 06° 49' 21" West 903.12 feet to an iron rod found;
- 14) North 06° 51' 32" West 355.34 feet to a stone found and the lands now or formerly of Alan Wilson Baynard (see 554/110);

THENCE binding on the northernmost outline of the said Fox Hall, Inc. lands;

- 15) North 84° 05' 17" East 2,941.94 feet to an iron rod set along the westernmost outline of the lands now or formerly of Alan W. Baynard and Dolores C. Baynard (see 571/497);

THENCE binding on the westernmost outline of the aforesaid Baynard lands, the following fifteen (15) courses and distances;

- 16) South 31° 08' 31" East 555.25 feet to an iron rod set;
- 17) North 86° 23' 34" East 233.59 feet to an iron rod set;
- 18) South 61° 17' 06" East 226.97 feet to an iron rod set;
- 19) South 46° 14' 26" East 212.30 feet to an iron rod set;
- 20) North 76° 35' 14" East 170.32 feet to a nail set in the base of a tree;
- 21) South 14° 00' 46" East 557.49 feet to blazed tree;
- 22) South 36° 28' 14" West 124.34 feet to an iron rod set;
- 23) South 45° 49' 14" West 571.29 feet to an iron rod set;
- 24) South 52° 51' 14" West 205.99 feet to an iron rod set;
- 25) South 11° 16' 14" West 130.94 feet to an iron rod set;
- 26) North 64° 31' 16" West 251.92 feet to an iron rod set;
- 27) South 04° 35' 14" West 166.05 feet to a nail set in the base of a tree;
- 28) South 48° 19' 06" East 207.94 feet to a blazed tree;
- 29) South 01° 25' 46" East 144.23 feet to a blazed tree; and
- 30) South 29° 29' 59" West 477.43 feet to a stone found along the northernmost outline of the lands now or formerly of the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints (see 593/506);

THENCE leaving the lands of Baynard and binding on said Church lands, the following five (5) courses and distances;

- 31) North 34° 34' 57" West 133.20 feet to an iron rod set;
- 32) North 04° 44' 04" West 70.13 feet to a concrete monument found;
- 33) South 78° 24' 16" West 1,316.68 feet to a stone found;
- 34) South 04° 48' 46" West 429.30 feet to an iron rod set; and
- 35) North 76° 51' 03" East 117.46 feet to a concrete monument found and the lands now or formerly of Trappe Packing Corporation (see 519/464);

THENCE leaving said Church lands and binding on the lands of Trappe Packing Corporation, the following two (2) courses and distances;

- 36) South 08° 36' 10" West 329.62 feet to a concrete monument found;
- 37) South 83° 12' 39" East 355.34 feet to an iron rod found and other lands now or formerly of Fox Hall, Inc. (see 686/572);

THENCE leaving the lands of Trappe Packing Corporation, and binding on the southernmost outline of the aforesaid lands of Fox Hall, Inc.;

- 38) South 83° 10' 26" East 49.22 feet to an iron rod found and the aforementioned lands of the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints;

THENCE binding on the aforesaid Church lands, the following four (4) courses and distances;

- 39) South 31° 02' 18" West 46.84 feet to an iron rod set;
- 40) South 00° 47' 42" East 106.35 feet to an iron rod set;
- 41) South 03° 46' 18" West 350.52 feet to an iron rod set; and

42) South 09° 37' 42" East 28.93 feet to a point;

THENCE leaving the aforesaid Church lands and binding on the perimeter of the herein-described lands, through the lands of Fox Hall, Inc., and further binding on the northernmost outline of Lots 8, 7, 6, 5, 4, 3, 2, and 1 of the Elsie B. Cooper subdivision (see Plat Book 49/34);

43) North 89° 27' 52" West 1,397.06 feet to an iron rod found and the lands now or formerly of Robert H. Eismann & Rebecca W. Eismann (See 1069/497);

THENCE leaving the Cooper subdivision and binding on the lands of Eismann;

44) North 00° 16' 58" East 43.86 feet to a stone found;

THENCE continuing with the lands of said Eismann, and with the lands now or formerly of Anna Elizabeth Golden Scott & Willis B. Scott, Jr. (see 1299/045);

45) South 89° 37' 57" West 295.36 feet to an iron rod set, and the lands of Luthy Farms (see 507/135);

THENCE leaving the lands of Fox Hall, Inc. and binding on the aforesaid lands of Luthy Farms, the two (2) following courses and distances;

46) South 05° 40' 47" West 851.35 feet to a concrete monument found;

THENCE continuing said same course,

47) South 05° 40' 47" West 115.88 feet to a point located in the approximate centerline of Piney Hill Road;

THENCE leaving Piney Hill Road, and binding on the perimeter of the herein-described lands, running through the lands of Luthy Farms, the three (3) following courses and distances;

48) North 76° 07' 07" East 833.01 feet to a point;

49) North 82° 14' 59" East 567.57 feet to a point; and

50) North 19° 46' 15" West 276.80 feet to a point located along the southernmost side of Piney Hill Road [a forty foot (40') wide right-of-way];

THENCE binding on the aforesaid roadside, with the arc of a curve to the right a distance of 99.99 feet to a point of tangency, said curve having a radius of 645.00 feet, and scribed by a chord of;

51) South 79° 34' 41" East 99.89 feet;

52) South 75° 08' 13" East 419.45 feet to a point of curvature;

THENCE with the arc of a curve to the left a distance of 175.51 feet to a point of compound curvature, said curve having a radius of 580.00 feet, and scribed by a chord of;

53) South 83° 48' 22" East 174.84 feet;

THENCE with the arc of a curve to the left a distance of 162.44 feet to a point of tangency, said curve having a radius of 220.00 feet, and scribed by a chord of;

54) North 66° 22' 18" East 158.78 feet;

55) North 45° 13' 07" East 120.02 feet to a point of curvature;

THENCE with the arc of a curve to the right a distance of 73.28 feet to a point located along the westernmost outline of the aforementioned lands of the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints (see 593/506), said curve having a radius of 380.00 feet, and scribed by a chord of;

56) North 50° 44' 35" East 73.17 feet;

THENCE leaving Piney Hill Road and binding on the division line between the aforesaid Church lands and those of Luthy Farms;

- 57) South 14° 16' 47" East 2,646.68 feet to a point located along the northernmost outline of the lands now or formerly of White Marsh Farm One, LLC (see 1022/659);

THENCE leaving the lands of Luthy Farms, and binding on the easternmost outline of the aforesaid lands of White Marsh Farm One, LLC, the four (4) following courses and distances;

- 58) South 72° 30' 47" East 1,059.22 feet to a stone found;
- 59) South 17° 11' 12" West 1,744.48 feet to an iron rod;
- 60) South 75° 40' 59" East 102.83 feet to an iron rod; and
- 61) South 14° 36' 01" West 696.62 feet to a point located on the northerly right-of-way line of Barber Road, a fifty foot (50') wide public right-of-way;

THENCE binding on said northerly right-of-way line, the seven (7) following courses and distances;

- 62) North 79° 08' 34" West 1,566.37 feet to a point;
- 63) North 79° 48' 35" West 1,307.89 feet to a point;
- 64) North 80° 12' 34" West 780.93 feet to a point of curvature;

THENCE with the arc of a curve to the left a distance of 409.16 feet, said curve having a radius of 1,175.00 feet, and scribed by a chord of;

- 65) South 89° 48' 52" West 407.10 feet;
- 66) South 79° 50' 19" West 788.63 feet to a point of curvature;

THENCE with the arc of a curve to the right a distance of 254.07 feet to a point of compound curvature, said curve having a radius of 1,742.35 feet, and scribed by a chord of;

- 67) South 84° 00' 58" West 253.84 feet;

THENCE with the arc of a curve to the right a distance of 211.35 feet to a point of tangency, said curve having a radius of 846.43 feet, and scribed by a chord of;

- 68) North 84° 39' 11" West 210.80 feet to the division line between the lands now or formerly of Marion G. Marvel (see 404/658) and the "ADDITION TO LATRAPPE HEIGHTS" subdivision (see Plat 72/22)

THENCE leaving Barber Road and binding on said division line, the following two (2) courses and distances;

- 69) North 23° 42' 42" East 840.83 feet to an iron rod found;
- 70) North 35° 14' 03" East 998.34 feet to a point and the aforesaid lands of Luthy Farms;

THENCE binding on a part of the southwesterly outline of Luthy Farms;

- 71) North 72° 02' 26" West 652.01 feet to an iron rod located at the southeasternmost corner of the lands now or formerly of Trappe Packing Corporation (see 519/464);

THENCE binding on the outline of the aforesaid lands of Trappe Packing Corporation, the three (3) following courses and distances;

- 72) North 06° 03' 29" West 425.00 feet to an iron rod set;
- 73) North 11° 51' 05" West 487.81 feet to an iron rod set; and
- 74) North 05° 51' 55" East 590.13 feet to a point located in the approximate center line of Piney Hill Road, a forty foot (40') wide right-of-way, at the intersection of the division line between the lands now or formerly of John Melvin Schwaninger, et al (see Liber 656, folio 20) and the lands of Luthy Farms (see Liber 507, folio 135, Parcel 2);

THENCE binding on the outline of the aforesaid Schwaninger lands, the following four (4) courses and distances;

- 75) North 89° 41' 02" East 241.56 feet to a point
- 76) North 16° 37' 05" East 713.14 feet to a wooden post found, passing in transit a concrete monument found 15.65 feet from the beginning thereof;
- 77) North 24° 41' 48" East 881.74 feet to a wooden post found along the southernmost outline of the lands now or formerly of W. Harold Lyons, et ux (see Liber 559, folio 369);
- 78) North 65° 47' 45" West 932.46 feet to an iron rod set and the lands now or formerly of Ida S. Hickman et al. (see 743/944)

THENCE leaving the lands of Schwaninger and binding on the outline of the lands of Hickman

- 79) North 34° 45' 41" East 447.15 feet to a concrete monument found, and;
- 80) North 55° 14' 56" West 107.60 feet to a concrete monument found and the intersection of the division line between the lands of D. Estelle Slaughter and Elizabeth Slaughter (see 543/61, 559/56) and the aforesaid lands of Lyons, and ;

THENCE leaving the lands of Lyons, and binding on the northeasterly outline of the lands now or formerly of Hickman, the lands now or formerly of William Slaughter and Phyllis Dobson Willey (see 697/265) and the lands now or formerly of James O. and Jean W. Slaughter (see 386/25);

- 81) North 55° 18' 33" West 563.50 feet to an iron rod set,

THENCE, continuing to bind on the lands of James O. and Jean W. Slaughter

82) North 61° 16' 44" West 146.72 feet to a concrete monument found, and the lands now or formerly of Trappe Gas and Go, LLC (see 804/122);

THENCE leaving the lands of the last-mentioned Slaughter, and binding on the outline of Trappe Gas and Go, LLC,

83) North 87° 52' 37" West 105.22 feet to a concrete monument found and the lands now or formerly of Wise Oil and Fuel, Inc. (see 406/688), and;

84) South 40° 00' 01" West 326.53 feet to an iron rod set and the land now or formerly of Raymond Blackston, Maggie Freeman & Mattie Jones (see 250/423);

THENCE leaving the lands of Trappe Gas & Go, LLC, and binding on the lands of Blackston, et al;

85) North 45° 49' 59" West 25.83 feet to an iron rod set and the aforementioned easterly right-of-way of U.S. Route 50;

THENCE leaving the lands of Blackston, et al. and binding on the aforesaid right-of-way line of U.S. Route 50,

86) North 09° 50' 28" West 281.76 feet to the place of beginning.

Containing in all 857.795 acres of land, more or less, as described by McCrone, Inc., Professional Registered Engineers and Surveyors, in October 2005.

EXHIBIT "E"

PETITIONERS' PROPERTY INTERESTS

EXHIBIT "C"

NOTICE OF AGREEMENT OF SALE AND OPTION

THIS NOTICE OF AGREEMENT of Sale and Option, the "Notice", is made this 28th day of April 2001 by and between Luthy Farms Limited Partnership, a Maryland limited partnership, and John F. Luthy III and Deborah B. Luthy, hereinafter the "Grantor", and Allen & Rocks, Inc., a Delaware corporation qualified to do business in the State of Maryland, and/or Assigns, hereinafter the "Grantee".

WHEREAS, the Grantors own approximately 314.40 acres of land located in Talbot County, Maryland, consisting of the following: approximately 262.06 acres, as identified in the records of Talbot County on Tax Map 55, Parcel 17, 507/135; approximately 47.07 acres as identified in the records of Talbot County on Tax Map 55, Parcel 19, 507/135; and approximately 5.27 acres as identified in the records of the Talbot County on Tax Map 55, Parcel 65, 540/122, hereinafter collectively referred to as the "Property"; and

WHEREAS, the Grantors have granted the Grantee the option to purchase the Property under certain terms and conditions contained in an "AGREEMENT OF SALE AND OPTION", the "Option", dated 24th day of April 2001; and

WHEREAS, the Grantor and the Grantee want to give notice of the "AGREEMENT OF SALE AND OPTION", the "Notice"; and

NOW THEREFORE, for the sum of \$5,000, receipt of which acknowledge, the Grantors and the Grantees agree as follows:

IMP FD SURV \$ 5.00
 TOTAL \$ 25.00
 Rec'd T882 Rec'd \$ 25.00
 No. 2420 Blk # 704
 8/21/01

AFTR RECEIVING, RETURN TO
 MICHAEL G. ROCK
 ALLEN & ROCKS, INC.
 SUITE 600
 2007 LEESBURG PIKE
 VIENNA, VA 22182

- 1) That Option expires on May 15, 2006 and thereafter shall be deemed released of record and null and void.
- 2) That Grantee shall execute and shall record an Instrument in writing, duly acknowledged, among the land records of Talbot County, Maryland confirming that the Option has been terminated and is null and void and releasing this Notice of record, if:
 - a) The Option is terminated prior to May 15, 2006; or
 - b) Grantee has breached or defaulted under the terms of the Option prior to May 15, 2006.
- 3) That if Grantee fails to execute and record a release pursuant to 2) above, the Grantors may release this Notice from the land records of Talbot County, Maryland by the filing of an Affidavit, the "Affidavit", from Grantor affirming the following:
 - a) That Option is null and void;
 - b) That Grantee has not executed nor recorded a release of this Notice within thirty (30) days of Grantors written request to do so;

- c) That Grantor has sent written notice to the Grantee by certified mail, return receipt requested to: Allen & Rocks, Inc. 8027 Leesburg Pike, Vienna, Virginia; with a copy to: Nicholas P. H. Rocks, Esquire, 1016 Salt Meadow Lane, McLean, Virginia, 22101--fifteen (15) days prior to filing the Affidavit;
- d) That Grantor affirms in its Affidavit that it has given the Grantee the aforementioned notice; and
- e) Upon recordation of the Affidavit executed by Grantor, the Option shall terminate and shall be null and void, and no longer enforceable against the Property and shall be extinguished as a lien or impairment against the title to the Property. Upon recordation of the Affidavit by the Grantor, the Option ceases to be actual or constructive notice to any person or to put any person on inquiry as to the existence of the Option.

GRANTOR HEREBY ACKNOWLEDGES RECEIPT FROM GRANTOR OF A \$5,000 PAYMENT IN ACCORDANCE WITH THE OPTION, AND THE PARTIES HERETO HEREBY CERTIFY THAT SAID PAYMENT IS THE FULL CONSIDERATION FOR THE GRANT OF THE OPTION.

"GRANTEE"

ATTEST:

ALLEN & ROCKS, INC.

[Signature]

By *Nicholas P. H. Rocks* (Seal)
Nicholas P. H. Rocks, President

STATE OF VIRGINIA, COUNTY OF King, to wit:

On this 28 day of April 2001, before me, the undersigned officer, personally appeared Nicholas P. H. Rocks; who acknowledged himself to be the President of Allen & Rocks, Inc., a Delaware corporation, and that he as such President of such corporation, being authorized so to do, executed the foregoing Agreement of Sale and Option for the purposes therein contained by signing the name of the Corporation by himself as President of the corporation.

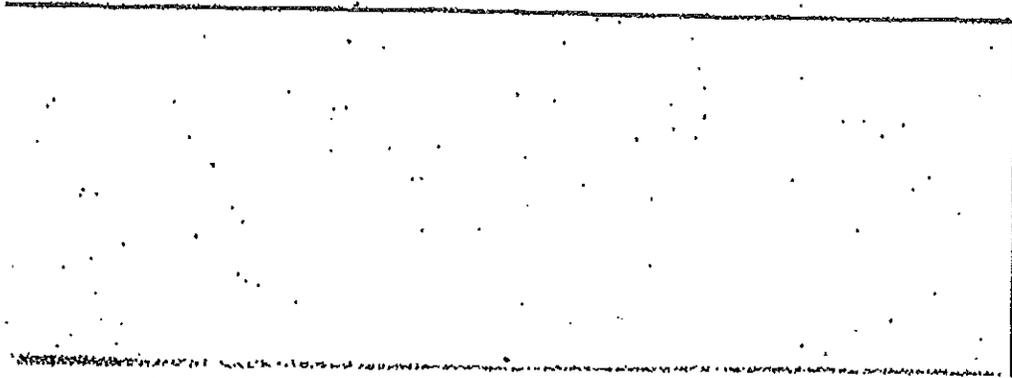
In Witness whereof I hereunto set my hand and official seal:



[Signature]

Notary Public

My commission expires: July 31, 2003



GRANTORS

LUTHY FARM LIMITED PARTNERSHIP

WITNESS:

E. Thomas M.

BY:

John F. Luthy III
JOHN F. LUTHY III, General Partner

E. Thomas M.

BY:

Daniel W. Luthy
DANIEL W. LUTHY, General Partner

E. Thomas M.

BY:

Marilyn H. Luthy
MARILYN H. LUTHY, General Partner

E. Thomas M.

BY:

John F. Luthy III
JOHN F. LUTHY III

E. Thomas M.

BY:

Deborah B. Luthy
DEBORAH B. LUTHY

STATE OF MARYLAND, COUNTY OF Dorchester to wit:

On this 28th day of April 2001, before me, the undersigned officer, personally appeared John F. Luthy III, Daniel W. Luthy, and Marilyn H. Luthy, who acknowledged themselves to be the General Partners of the Luthy Farm Limited Partnership, and that they as such General Partners, being authorized to do so, executed the foregoing Agreement of Sale and Option for the purposes therein contained, by signing the name of the Limited Partnership by themselves as General Partners.



Witness hereof I hereunto set my hand and official seal:

[Signature]
Notary Public

My commission expires: 11/1/2001

STATE OF MARYLAND, COUNTY OF Dorchester to wit:

On this 28th day of April 2001, before me, the undersigned officer, personally appeared John F. Luthy III and Deborah B. Luthy, known to me (or satisfactorily proven) to be the persons described in the foregoing Agreement of Sale and Option, and acknowledged that they executed the same, in their individual capacities for the purposes therein contained.



Witness hereof I hereunto set my hand and official seal:

[Signature]
Notary Public

My commission expires: 11/1/2001

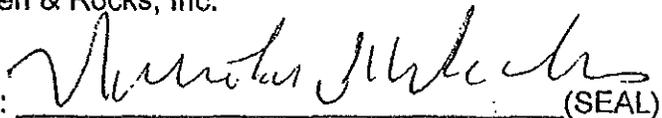
**ASSIGNMENT AND TRANSFER OF INTEREST IN AGREEMENT OF SALE
AND PURCHASE**

For and in consideration of ten dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Allen & Rocks, Inc. (the "Assignor") hereby sells, transfers, sets over and assigns to LUTHY PROPERTIES LLC, a Maryland limited liability company, (the "Assignee"), all of Assignor's legal and beneficial right, title and interest in and to that certain AGREEMENT OF SALE AND OPTION, for the sale and purchase of approximately 314.40 acres of land located in Talbot County, Maryland, made and entered into by and between Luthy Farms Limited Partnership, a Maryland limited partnership and John F. Luthy III and Deborah B. Luthy (collectively, "Sellers" thereunder) and Allen & Rocks, Inc., a Delaware corporation ("Buyer" thereunder), and executed by Seller and Buyer on April 24, 2001, (hereinafter, the "Agreement"). By acceptance of this Assignment and Transfer, Assignee agrees to be bound by all terms and conditions of the Agreement, and accepts all benefits conferred and liabilities imposed upon the Buyer under said Agreement. This Assignment is effective for all purposes as of the date of its execution.

In Witness Whereof, the parties hereto have executed this Assignment and Transfer as of the 15th day of October, 2001.

Allen & Rocks, Inc.

By:

 (SEAL)

Nicholas P.H. Rocks, President

LUTHY PROPERTIES LLC

By: Allen & Rocks, Inc., its Manager

By:

 (SEAL)

S. Randall Cohen, Vice President

MEMORANDUM OF OPTION

1. The names of the parties to the option are Fox Hall, Inc., "Optionor" and Allen & Rocks, Inc. and/or Assigns "Optionee". Allen & Rocks, Inc. has assigned its rights under the below referenced Option to FOX HALL LLC.

2. The addresses of the parties set forth in the option are as follows:
Optionor: Hilda Jane Groves, 4148 Main Street, Trappe, Maryland 21673;
Optionee: Allen & Rocks, Inc., Attention: Nicholas P.H. Rocks, 1960 Gallows Road, Suite 300, Vienna, VA 22182. The Optionee's telephone number is 703-556-4000.

3. The option to purchase the property, described in paragraph 4 below, is set forth in an agreement entitled: "AGREEMENT OF SALE AND OPTION", the "Option", dated and executed by the Optionee on March 13, 2002 and executed by the Optionor on March 19, 2001.

4. The property affected by the Option is described in the Option as follows: 278.50 acres of land identified in the records of Talbot County, Maryland on Tax Map 55, Parcel 44, Liber 601, Folio 235, the "Property".

5. The nature of the right or interest created by the Option is the option of the Optionee to purchase a fee simple interest in the Property under the terms and conditions as set forth in the Option.

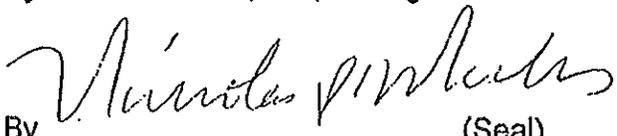
6. The term of the Option is twenty-four (24) months, commencing on March 19, 2002 and terminating on March 18, 2004.

7. There is a right of extension for a maximum of forty-eight (48) months, extending the Option from March 19, 2004 through March 18, 2008, which right of extension is exercisable at any time during the term of the Option.

Optionor and Optionee hereby affirm that the facts set forth in this Memorandum of Option are true and correct.

ATTEST:



"Optionee"
FOX HALL PROPERTIES LLC
By: Allen & Rocks, Inc., Manager

By _____ (Seal)
Nicholas P.H. Rocks, President

5.00
20.00
25.00
62368
2256
04:13 PM
APR 24 2002
MAY 8 4 23
RECORD FEE
TOTAL
MAY 8 4 23
APR 24 2002

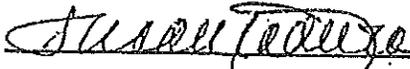
O'MALLEY, MILES, NYLEN
& GILMORE, P.A.
P.O. Box 689
Greenbelt, MD 20768

LIBER 1428 FOLIO 174

STATE OF VIRGINIA, COUNTY OF FAIRFAX, to wit:

On this 2nd day of April 2002, before me, the undersigned officer, personally appeared Nicholas P.H. Rocks, who acknowledged himself to be the President of Allen & Rocks, Inc., a Delaware corporation, which corporation is the Manager of FOX HALL PROPERTIES LLC, and that he as such President of such corporation, acting as Manager of FOX HALL PROPERTIES LLC, being authorized so to do; executed the foregoing Memorandum for the purposes therein contained by signing the name of the corporation by himself as President of the corporation, acting as Manager of FOX HALL PROPERTIES LLC.

In witness whereof I hereunto set my hand and official seal:



Notary Public
My commission expires July 31, 2003

WITNESS/ATTEST:

"Optionor"
Fox Hall, Inc.

Dyvia V. Roe

Hilda Jane Groves (SEAL)
Hilda Jane Groves, President

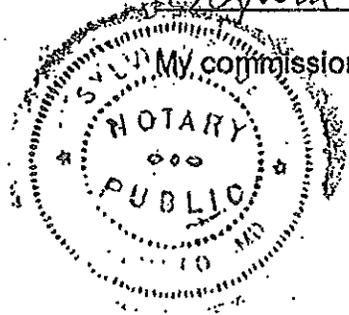
STATE OF MARYLAND, COUNTY OF TALBOT, to wit:

On this 16th day of April 2002, before me, the undersigned officer, personally appeared Hilda Jane Groves, who acknowledged herself to be the President of Fox Hall, Inc., and that she as such President of such corporation, being authorized so to do, executed the foregoing Memorandum for the purposes therein contained by signing the name of the corporation by herself as President of the corporation.

In witness whereof I hereunto set my hand and official seal:

Dyvia V. Roe

Notary Public
My commission expires: 6/1/02



AFTER RECORDING, RETURN TO:

Allen & Rocks, Inc.
Attn: Nicholas P.H. Rocks
1960 Gallows Road, Suite 300
Vienna, VA 22182

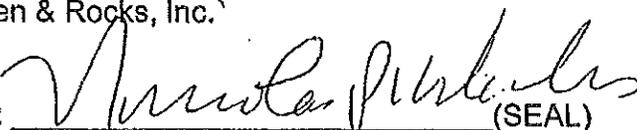
**ASSIGNMENT AND TRANSFER OF INTEREST IN
AGREEMENT OF SALE AND OPTION**

For and in consideration of ten dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Allen & Rocks, Inc. (the "Assignor") hereby sells, transfers, sets over and assigns to FOX HALL PROPERTIES LLC, a Maryland limited liability company, (the "Assignee"), all of Assignor's legal and beneficial right, title and interest in and to that certain "AGREEMENT OF SALE AND OPTION", for the sale and purchase of approximately 278.50 acres of land located in Talbot County, Maryland, made and entered into by and between FOX HALL, Inc., a Maryland corporation ("Seller" thereunder) and ALLEN & ROCKS, INC., a Delaware Corporation, and/or Assigns ("Buyer" thereunder), and dated March 13, 2002 and executed by Seller on March 13, 2002 and by Buyer on March 19, 2002, (hereinafter, the "Agreement"). By acceptance of this Assignment and Transfer, Assignee agrees to be bound by all terms and conditions of the of the Agreement, and accepts all benefits conferred and liabilities imposed upon the Buyer under said Agreement. This Assignment is effective for all purposes as of the date of its execution.

In Witness Whereof, the parties hereto have executed this Assignment and Transfer as of the 22nd day of March, 2002.

Allen & Rocks, Inc.

By:

 (SEAL)

Nicholas P.H. Rocks, President

FOX HALL PROPERTIES LLC

By: Allen & Rocks, Inc., its Manager

By:

 (SEAL)

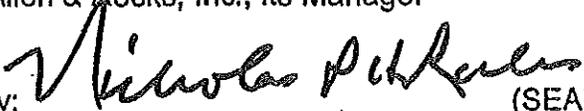
S. Randall Cohen, Vice President

**ASSIGNMENT AND TRANSFER OF INTEREST IN
AGREEMENT OF SALE AND OPTION**

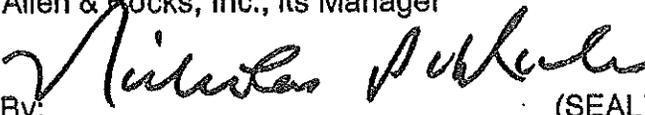
For and in consideration of ten dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, FOX HALL PROPERTIES LLC, a Maryland limited liability company (the "Assignor") hereby sells, transfers, sets over and assigns to TRAPPE EAST LLC, a Maryland limited liability company, (the "Assignee"), all of Assignor's legal and beneficial right, title and interest in and to that certain "AGREEMENT OF SALE AND OPTION", for the sale and purchase of approximately 278.50 acres of land located in Talbot County, Maryland, made and entered into by and between FOX HALL, Inc., a Maryland corporation ("Seller" thereunder) and ALLEN & ROCKS, INC., a Delaware Corporation, and/or Assigns ("Buyer" thereunder), and dated March 13, 2002 and executed by Seller on March 13, 2002 and by Buyer on March 19, 2002, (hereinafter, the "Agreement"), and thereafter assigned by Allen & Rocks, Inc. to Fox Hall Properties LLC. By acceptance of this Assignment and Transfer, Assignee agrees to be bound by all terms and conditions of the Agreement, and accepts all benefits conferred and liabilities imposed upon the Buyer under said Agreement. This Assignment is effective for all purposes as of the date of its execution.

In Witness Whereof, the parties hereto have executed this Assignment and Transfer as of the 1st day of October, 2004.

FOX HALL PROPERTIES LLC
By: Allen & Rocks, Inc., its Manager

By:  (SEAL)
Nicholas P.H. Rocks, President

TRAPPE EAST LLC
By: Allen & Rocks, Inc., its Manager

By:  (SEAL)
Nicholas P.H. Rocks President

MEMORANDUM OF OPTION

- 1) The names of the parties to the option are W. Harold and Patricia M. Lyons, "Optionor", and Allen & Rocks, Inc. and/or Assigns, "Optionee".
- 2) The addresses of the parties set forth in the option are as follows: Optionor: W. Harold and Patricia M. Lyons, 29181 Schwaninger Road, Easton, Maryland 21601; Optionee: Allen & Rocks, Inc., Attention: Nicholas P.H. Rocks, 1960 Gallows Road, Suite 300, Vienna, VA 22182. The Optionee's telephone number is 703-556-4000.
- 3) The option to purchase the property, described in paragraph 4 below, is set forth in an agreement entitled: "AGREEMENT OF SALE AND OPTION", the "Option", dated and executed by the Optionee on April 2, 2002 and executed by the Optionor on April 4, 2002.
- 4) The property affected by the Option is described in the Option as follows: 92.8366 acres of land, located in Talbot County, Maryland, and identified in the land records of Talbot County on Tax Map 55, Parcel 15, Liber 556, Folio 369, E/S Route 50, hereinafter referred to as the "Property".
- 5) The nature of the right or interest created by the Option is the option of the Optionee to purchase a fee simple interest in the Property under the terms and conditions as set forth in the Option.
- 6) The term of the Option is thirty-six (36) months, commencing on April 4, 2002 and terminating on April 3, 2005.
- 7) There is a right of extension for a maximum of twenty-four (24) months, extending the Option from April 4, 2005 through April 3, 2007, which right of extension is exercisable at any time during the term of the Option.

Optionor and Optionee hereby affirm that the facts set forth in this Memorandum of Option are true and correct.

| | |
|----------------|--------------|
| IMP ED SURE \$ | 5.00 |
| RECORD FEE | 20.00 |
| TOTAL | 25.00 |
| Rest TAG2 | Rcpt # 64325 |
| MAS 3046 | Blk # 140 |
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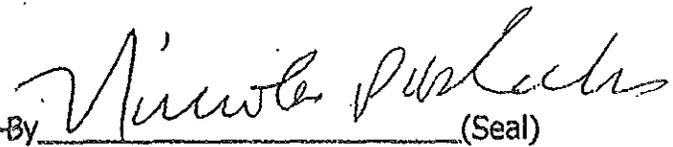
Return To: Allen & Rocks Inc
 1960 Gallows Rd, Suite 300
 Vienna VA 22182

"Optionee"

ATTEST:

ALLEN & ROCKS, INC.



By  (Seal)

Nicholas P.H. Rocks, President.

STATE OF VIRGINIA, COUNTY OF FAIRFAX, to wit:

On this April 26, 2002, before me, the undersigned officer, personally appeared Nicholas P.H. Rocks, who acknowledged himself to be the President of Allen & Rocks, Inc., a Delaware corporation, and that he as such President of such corporation, being authorized so to do; executed the foregoing Memorandum for the purposes therein contained by signing the name of the corporation by himself as President of the corporation.

In witness whereof I hereunto set my hand and official seal:


Notary Public

My commission expires: July 31, 2003

LIBER 1067 FOLIO 89

LIBER 1428 FOLIO 180

WITNESS:

"OPTIONOR"

[Signature]

W. Harold Lyons (SEAL)
W. Harold Lyons

[Signature]

Patricia M. Lyons (SEAL)
Patricia M. Lyons

STATE OF Maryland, COUNTY OF Talbot, to wit:

On this 6th day of May 2002, before me, the undersigned officer, personally appeared W. Harold Lyons and Patricia M. Lyons, who acknowledged themselves to be the owners of the Property and executed the foregoing Memorandum of Option for the purposes therein contained by signing their names.

In witness whereof I hereunto set my hand and official seal:

Susan W. Moran
Notary Public

My commission expires: 3/12/2005



AFTER RECORDING, RETURN TO:

Allen & Rocks, Inc.
Attn: Nicholas P.H. Rocks
1960 Gallows Road, Suite 300
Vienna, VA 22182

**ASSIGNMENT AND TRANSFER OF INTEREST IN
AGREEMENT OF SALE AND OPTION**

For and in consideration of ten dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Allen & Rocks, Inc. (the "Assignor") hereby sells, transfers, sets over and assigns to LYONS TRAPPE LLC, a Maryland limited liability company, (the "Assignee"), all of Assignor's legal and beneficial right, title and interest in and to that certain "AGREEMENT OF SALE AND OPTION", for the sale and purchase of approximately 92.83660 acres of land located in Talbot County, Maryland, made and entered into by and between W. Harold Lyons and Patricia M. Lyons (collectively the "Seller" thereunder) and ALLEN & ROCKS, INC., a Delaware Corporation, and/or Assigns ("Buyer" thereunder), and dated April 2, 2002 and executed by Seller on April 2, 2002 and by Buyer on April 4, 2002, (hereinafter, the "Agreement"). By acceptance of this Assignment and Transfer, Assignee agrees to be bound by all terms and conditions of the of the Agreement, and accepts all benefits conferred and liabilities imposed upon the Buyer under said Agreement. This Assignment is effective for all purposes as of the date of its execution.

In Witness Whereof, the parties hereto have executed this Assignment and Transfer as of the 13th day of April, 2002.

Allen & Rocks, Inc.

By:  (SEAL)
Samuel A. Rocks, Vice President

LYONS TRAPPE LLC

By: Allen & Rocks, Inc., its Manager

By:  (SEAL)
S. Randall Cohen, Vice President

MEMORANDUM OF OPTION

1. The name of the parties to the option: WHITE MARSH FARM ONE, LLC and WHITE MARSH FARM TWO, LLC, collectively the "Optionor", and Allen & Rocks, Inc. and/or Assigns, the "Optionee".

2. The addresses of the parties set forth in the option--the Optionor: c/o Griswold & Lee, P.A., 100 North West Street, Easton, Maryland and the Optionee: Attn: Nicholas P.H. Rocks, 8027 Leesburg Pike, Suite 1012, Vienna, VA 22182.

5.00
20.00
25.00
Res # 1402 Rpt # 55597
MAS 8423 Bk # 1150
02:05 PM

3. The option to purchase the property, described in paragraph 4 below, is set forth in the "AGREEMENT OF SALE AND OPTION", the "Option", dated July 12, 2001; executed July 2, 2001 by the Optionee; and executed July 12, 2001 by the Optionor's predecessors in interest and assumed in its entirety by the Optionor.

4. The property affected by the Option is described in the Option as follows: 150 acres, consisting of 144.81 acres identified in the records of Talbot County as Tax Map 59, Parcel 4; and 5.19 acres identified in the records of Talbot County as Tax Map 55, Parcel 83, the "Property".

5. The nature of the right or interest created by the Option is the option of the Optionee to purchase a fee simple interest in the Property under the terms and conditions as set forth in the Option.

6. The term of the Option is 36 months, commencing on July 12, 2001 and terminating on July 11, 2004.

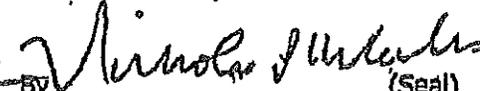
7. There is a right of extension for a maximum of 24 months, extending the Option from July 12, 2004 through July 11, 2006, which right of extension is exercisable at any time during the term of the Option.

Optionor and Optionee hereby affirm that the facts set forth in this Memorandum of Option are true and correct.

"Optionee"

ATTEST:

ALLEN & ROCKS, INC.

 By  (Seal)
Nicholas P. H. Rocks, President

RECORDED TO ALLEN & ROCKS, INC.
P. O. BOX 2074, EASTON AND ZIMM

STATE OF VIRGINIA, COUNTY OF FAREAX to wit:

On this 12th day of October 2001, before me, the undersigned officer, personally appeared Nicholas P. H. Rocks, who acknowledged himself to be the President of Allen & Rocks, Inc., a Delaware corporation, and that he as such President of such corporation, being authorized so to do, executed the foregoing Memorandum for the purposes therein contained by signing the name of the corporation by himself as President of the corporation.

WITNESS my hand and Notarial Seal.



[Signature]
Notary Public

My Commission Expires: 5/31/05

WITNESS:

"Optionor"

WHITE MARSH FARM ONE, LLC

[Signature]

By [Signature] (Seal)
Eleanor J. Simonoff, Authorized Member

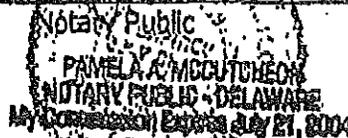
STATE OF DELAWARE
COUNTY OF SUSSEX, to wit:

On this 5 day of October 2001, before me, the undersigned officer, personally appeared ELEANOR J. SIMONOFF, who acknowledged herself to be an authorized representative of WHITE MARSH FARM ONE, LLC, a Maryland limited liability company, (the "Company") and that she, as such representative and being authorized so to do, executed the foregoing Memorandum for the purposes therein contained by signing the name of the Company by herself as authorized representative of the Company.

WITNESS my hand and Notarial Seal.

[Signature]

My Commission Expires:



Page 2 of 3

LIBER J, 025 1009211

WHITE MARSH FARM TWO, LLC

Karen E. [Signature]

By [Signature] (Seal)
Eleanor J. Simonoff, Authorized Member

STATE OF DELAWARE
COUNTY OF SUSSEX, to wit:

On this 5 day of October 2001, before me, the undersigned officer, personally appeared ELEANOR J. SIMONOFF, who acknowledged herself to be an authorized representative of WHITE MARSH FARM TWO, LLC, a Maryland limited liability company, (the "Company") and that she, as such representative and being authorized so to do, executed the foregoing Memorandum for the purposes therein contained by signing the name of the Company by herself as authorized representative of the Company.

WITNESS my hand and Notarial Seal.

[Signature]

Notary Public

PAMELA A. MCGUTCHEON
NOTARY PUBLIC - DELAWARE
My Commission Expires July 21, 2004

THE UNDERSIGNED, a member in good standing of the Bar of the Court of Appeals of Maryland, hereby certifies that this Memorandum of Option was prepared by him or under his supervision.

[Signature]
[Signature]
SALLY PRESLER MCEL

AFTER RECORDING, RETURN TO:

After Recording Please Return to:
O'Malley, Miles, Nylan
& Gilmore, P.A.
P.O. Box 689
Greenbelt, Maryland 20768
01924-3072R

**ASSIGNMENT AND TRANSFER OF INTEREST IN AGREEMENT OF SALE
AND PURCHASE**

For and in consideration of ten dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Allen & Rocks, Inc. (the "Assignor") hereby sells, transfers, sets over and assigns to WHITEMARSH FARM LLC, a Maryland limited liability company, (the "Assignee"), all of Assignor's legal and beneficial right, title and interest in and to that certain AGREEMENT OF SALE AND OPTION, for the sale and purchase of approximately 150 acres of land located in Talbot County, Maryland, made and entered into by and between Eleanor J. Simonoff, Edward C. Simonoff, Elizabeth J. Leichner and Christine H. Jeffers (collectively, "Seller" thereunder) and Allen & Rocks, Inc., a Delaware corporation ("Buyer" thereunder), and executed by Seller and Buyer on July 12, 2001, (hereinafter, the "Agreement"). [Seller thereafter assigned their rights in the Agreement to WHITEMARSH FARM ONE, LLC and to WHITEMARSH FARM TWO, LLC.] By acceptance of this Assignment and Transfer, Assignee agrees to be bound by all terms and conditions of the of the Agreement, and accepts all benefits conferred and liabilities imposed upon the Buyer under said Agreement. This Assignment is effective for all purposes as of the date of its execution.

In Witness Whereof, the parties hereto have executed this Assignment and Transfer as of the 15th day of October, 2001.

Allen & Rocks, Inc.

By:  (SEAL)
Nicholas P.H. Rocks, President

WHITEMARSH FARM LLC

By: Allen & Rocks, Inc., its Manager

By:  (SEAL)
S. Randall Cohen, Vice President

MEMORANDUM OF OPTION

1. The name of the parties to the "Option" (defined below) are: **4313 Ocean Gateway LLC**, a Maryland limited liability company, the "Optionor", and **Allen & Rocks, Inc.**, a Delaware corporation, and/or Assigns. **Allen & Rocks, Inc.** has assigned its rights and obligations under the Option to **TRAPPE OCEAN GATEWAY LLC**, a Maryland limited liability company, the "Optionee, whose Manager is **Allen & Rocks, Inc.**

2. The addresses of the parties set forth in the Option, are: Optionor: 4313 Ocean Gateway LLC, Attention: Marjo and John C. Persico, P.O. Box 408, Trappe, Maryland 21673; Optionee: **Allen & Rocks, Inc.**, Attention: Nicholas P. H. Rocks, 1960 Gallows Road, Suite 300, Vienna, Virginia 22182. Optionee's telephone number is 703-556-4000.

3. The option to purchase the property, described in paragraph 4 below, is set forth in an agreement entitled: "AGREEMENT OF SALE AND OPTION", the "Option", dated the 3rd day of May 2002, and executed by the Optionee on May 2, 2002 and executed by the Optionor on May 3, 2002.

4. The property affected by the Option is described in the Option as follows: approximately 19.21 acres of land, located in Talbot County, Maryland, and identified in the land records of Talbot County on Tax Map 55, Parcel 14, Liber 979, Folio 777, hereinafter referred to as the "Property".

5. The nature of the right or interest created by the Option is the option of the Optionee to purchase a fee simple interest in the Property under the terms and conditions as set forth in the Option.

6. The term of the Option is thirty-six (36) months, commencing on May 3, 2002 and terminating on May 2, 2005.

7. There is a right of extension for a maximum of thirty-six (36) months, extending the Option from May 3, 2005 through May 2, 2008, which right of extension is exercisable at any time during the term of the Option.

Return to: **Allen & Rocks Inc**
1960 Gallows RD # 300
Vienna VA 22150

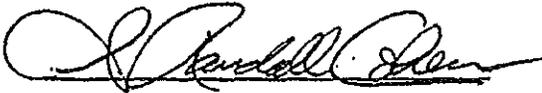
IMP FD SURE \$ 5.00
RECORD FEE 20.00
TOTAL 25.00
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Jun 24, 2002 11:41 am

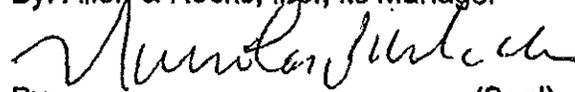
Optionor and Optionee hereby affirm that the facts set forth in this Memorandum of Option are true and correct.

"Optionee"

ATTEST:

TRAPPE OCEAN GATEWAY LLC
By: Allen & Rocks, Inc., its Manager

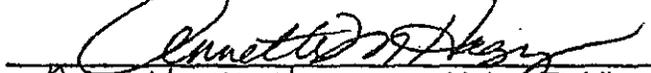


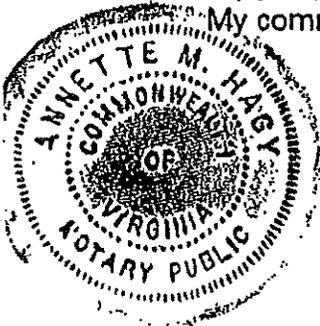

By _____ (Seal)
Nicholas P. H. Rocks, President

STATE OF VIRGINIA, COUNTY OF FAIRFAX, to wit:

On this 18th day of June, 2002, before me, the undersigned officer, personally appeared Nicholas P. H. Rocks, who acknowledged himself to be the President of Allen & Rocks, Inc., a Delaware corporation, qualified to do business in the State of Maryland, acting as Manager of TRAPPE OCEAN GATEWAY LLC, a Maryland limited liability company, and that he as such President of such corporation, acting as manager of such limited liability company, being authorized so to do, executed the foregoing Memorandum of Option for the purposes therein contained by signing the name of the corporation by himself as President of the corporation, as manager of the limited liability company.

In witness whereof I hereunto set my hand and official seal:


Annette M. Hagy, Notary Public
My commission expires: 5/31/05



WITNESS:

"Optionor"

4313 Ocean Gateway LLC

[Signature]

By: Mario Persico
Mario Persico, Manager

[Signature]

By: Gina Persico
Gina Persico, Manager

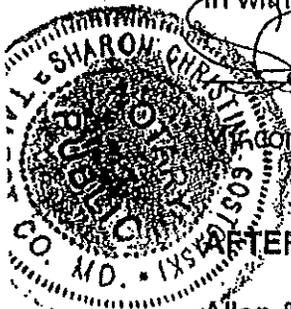
[Signature]

By: John Persico
John Persico, Manager

STATE OF MARYLAND, COUNTY OF DORCHESTER, to wit:

On this 19 day of June 2002, before me, the undersigned officer, personally appeared Mario Persico, Gina Persico, John Persico, who acknowledged themselves to be the Managers of 4313 Ocean Gateway, LLC, a Maryland limited liability company, and as such Managers, being authorized to act on behalf of 4313 Ocean Gateway, LLC, executed the foregoing Memorandum Option for the purposes therein contained by signing their names.

In witness whereof I hereunto set my hand and official seal:



[Signature]
Notary Public

Commission expires: 1-1-06

AFTER RECORDING, RETURN TO:

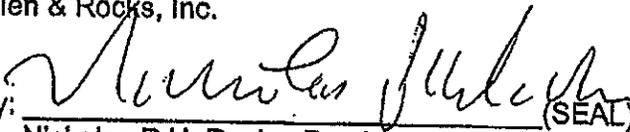
Allen & Rocks, Inc.
Attn: Nicholas P.H. Rocks
1960 Gallows Road, Suite 300
Vienna, VA 22182

**ASSIGNMENT AND TRANSFER OF INTEREST IN AGREEMENT OF SALE
AND PURCHASE**

For and in consideration of ten dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Allen & Rocks, Inc., a Delaware corporation (the "Assignor") hereby sells, transfers, sets over and assigns to TRAPPE OCEAN GATEWAY LLC, a Maryland limited liability company, (the "Assignee"), all of Assignor's legal and beneficial right, title and interest in and to that certain AGREEMENT OF SALE AND OPTION, for the sale and purchase of approximately 19.21 acres of land located in Talbot County, Maryland, made and entered into by and between 4313 Ocean Gateway, LLC, a Maryland limited liability company ("Seller" thereunder) and Allen & Rocks, Inc., a Delaware corporation ("Buyer" thereunder), and executed by Buyer on May 2, 2002, and by Seller on May 3, 2002 (hereinafter, the "Agreement"). By acceptance of this Assignment and Transfer, Assignee agrees to be bound by all terms and conditions of the of the Agreement, and accepts all benefits conferred and liabilities imposed upon the Buyer under said Agreement. This Assignment is effective for all purposes as of the date of its execution.

In Witness Whereof, the parties hereto have executed this Assignment and Transfer as of the 15th day of June, 2002.

"Assignor"
Allen & Rocks, Inc.

By:  (SEAL)
Nicholas P.H. Rocks, President

"Assignee"
TRAPPE OCEAN GATEWAY LLC
By: Allen & Rocks, Inc., its Manager

By:  (SEAL)
S. Randall Cohen, Vice President

MEMORANDUM OF OPTION

- 1) The names of the parties to the option are Sidney S. and Patricia E. Campen, Jr., "Optionor", and Allen & Rocks, Inc. or Assigns, "Optionee".
- 2) The addresses of the parties set forth in the option are as follows: Optionor: c/o Sidney S. Campen, Jr., Esquire, 9 Federal Street, Easton, Maryland 21601; Optionee: Allen & Rocks, Inc., Attention: Nicholas P.H. Rocks, 1960 Gallows Road, Suite 300, Vienna, VA 22182. The Optionee's telephone number is 703-556-4000.
- 3) The option to purchase the property, described in paragraph 4 below, is set forth in an agreement entitled: "AGREEMENT OF SALE AND OPTION", the "Option", dated as of 1 September 2003.
- 4) The property affected by the Option is described in the Option as follows: 44.52 acres of land located in Talbot County, Maryland and identified in the Talbot County tax records on Tax Map 59 as Parcel 1, hereinafter referred to as the "Property".
- 5) The nature of the right or interest created by the Option is the option of the Optionee to purchase a fee simple interest in the Property under the terms and conditions as set forth in the Option.
- 6) The term of the Option is from 1 September 2003 until 31 December 2005..

Optionor and Optionee hereby affirm that the facts set forth in this Memorandum of Option are true and correct.

| | |
|----------------|--------------|
| IMP FD SURE \$ | 20.00 |
| RECORD FEE | 20.00 |
| TOTAL | 40.00 |
| Rec# TABJ | Rec# # 43483 |
| MAS 9493 | Blk # 1887 |
| Oct 16, 2003 | 03:22 PM |

AFTER RECORDING RETURN TO:
OMALLEY, MILES, NYLEN
& GILMORE, P.A.
P.O. Box 689
Greenbelt, MD 20768

RECORDED TO PUBLIC RECORDS
P. A. BOX 689, GREENBELT, MD 20768

"OPTIONEE"

WITNESS/ATTEST:

ALLEN & ROCKS, INC.

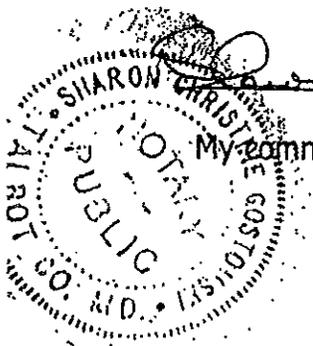
[Signature]

By [Signature] (Seal)
Nicholas P.H. Rocks, President

STATE OF Maryland, COUNTY OF Talbot, to wit:

On this 27th day of August, 2003, before me, the undersigned officer, personally appeared Nicholas P.H. Rocks, who acknowledged himself to be the President of Allen & Rocks, Inc., a Delaware corporation, and that he as such President of such corporation, being authorized so to do, executed the foregoing Memorandum for the purposes therein contained by signing the name of the corporation by himself as President of the corporation.

In witness whereof I hereunto set my hand and official seal:



[Signature]
Notary Public

My commission expires: 1-1-06

"OPTIONOR"

WITNESS:

Michelle Acker By Sidney S. Campen, Jr. (Seal)
Sidney S. Campen, Jr.

Michelle Acker By Patricia E. Campen
Patricia E. Campen

STATE OF MD, COUNTY OF Talbot, to wit:

On this 28th day of August 2003, before me, the undersigned officer, personally appeared Sidney S. and Patricia E. Campen, Jr., who acknowledged themselves to be the owner of the Property and executed the foregoing Agreement of Sale and Option for the purposes therein contained by signing their names.

In witness whereof I hereunto set my hand and official seal:

Michelle Acker
, Notary Public

My commission expires: 2-12-2007



AFTER RECORDING, RETURN TO:

Allen & Rocks, Inc.
Attn: Nicholas P.H. Rocks
1960 Gallows Road, Suite 300
Vienna, VA 22182

**ASSIGNMENT AND TRANSFER OF INTEREST IN
OPTION AGREEMENT**

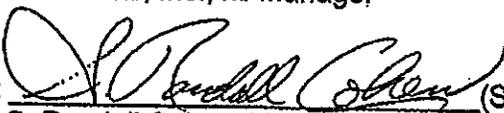
For and in consideration of ten dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Allen & Rocks, Inc. (the "Assignor") hereby sells, transfers, sets over and assigns to BARBER ROAD ADDITION LLC, a Maryland limited liability company, (the "Assignee"), all of Assignor's legal and beneficial right, title and interest in and to that certain "AGREEMENT OF SALE AND OPTION", for the option to purchase approximately 44.52 acres of land located in Talbot County, Maryland, made and entered into by and between Sidney S. and Patricia E. Campen (collectively, "Seller" thereunder) and ALLEN & ROCKS, INC., a Delaware Corporation, and/or Assigns ("Buyer" thereunder), and dated September 1, 2003 and executed by Seller on August 28, 2003 and by Buyer on August 27, 2003, (hereinafter, the "Agreement"). By acceptance of this Assignment and Transfer, Assignee agrees to be bound by all terms and conditions of the Agreement, and accepts all benefits conferred and liabilities imposed upon the Buyer under said Agreement. This Assignment is effective for all purposes as of the date of its execution.

In Witness Whereof, the parties hereto have executed this Assignment and Transfer as of the 2nd day of January, 2004.

Allen & Rocks, Inc.

By:  (SEAL)
Samuel A. Rocks, Vice President

BARBER ROAD ADDITION LLC
By: Allen & Rocks, Inc., its Manager

By:  (SEAL)
S. Randall Cohen, Vice President

\\r\docs\2004\BARBER ROAD ADDITION LLC - Assignment of Option Agr.

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48 08
Sept # 37277
Blk # 691
64-55 PA
PAGE #
NOV 18 2004
RES# 7416
MAS 7416
NOV 18 2004

MEMORANDUM OF OPTION

1. The names of the parties to the option: D. Estelle and Elizabeth Slaughter, "Optionor"; and Allen & Rocks, Inc. or Assigns, "Optionee".
2. The addresses of the parties set forth in the option are these—Optionor: D. Estelle and Elizabeth Slaughter, c/o W. Thomas Fountain, Esquire, Ewing, Dietz, Fountain & Kehoe, 16 South Washington Street, P. O. Box 1146, Easton, Maryland 21601; and Optionee: Allen & Rocks, Inc., Attn: Nicholas P.H. Rocks and S. Randall Cohen, Esquire, (Phone Number: 703-556-4000), 1960 Gallows Road, Suite 300, Vienna, VA 22182.
3. The option to purchase the property, described in paragraph 4 below, is set forth in an agreement entitled: "Agreement of Sale and Option", the "Option", dated as of 1 October 2004.
4. Optionee and Optionor have described the property affected by the Option as approximately 2.359 acres of land identified in the records of Talbot County, Maryland on Tax Map 55, Grid 13, Parcel 66, with deed references 543/61 and 559/56, the "Property". Moreover, Optionee and Optionor have shown the Property on Exhibit A to the Option.
5. The nature of the right or interest created by the Option is the option of the Optionee to purchase a fee simple interest in the Property under the terms and conditions as set forth in the Option.
6. The term of the Option is 60 months, commencing on 1 October 2004 and terminating on 30 September 2009.

REFUSED TO ALBERT & FRANKER, JR.
P. O. BOX 207, EASTON, MD 21601

Optionor and Optionee hereby affirm that the facts set forth in this Memorandum of Option are true and correct.

Page 1 of 4 EXHIBIT D TO OPTION CONTRACT

SLAUGHTER EXHIBIT D 100104

LIBER 1289 FOLIO 121

LIBER 1289 FOLIO 196

WITNESS: "OPTIONOR"

[Signature]

D. Estelle Slaughter (SEAL)
D. Estelle Slaughter

[Signature]

Elizabeth Slaughter (SEAL)
Elizabeth Slaughter

STATE OF MARYLAND, COUNTY OF TALBOT, to wit:

On this 3rd day of April, 2004 before me, the undersigned officer, personally appeared D. Estelle and Elizabeth Slaughter who acknowledged themselves to be the owners of the Property and executed the foregoing Memorandum of Option for the purposes therein contained by signing their names.

In witness whereof I hereunto set my hand and official seal:

Sybil V. Roe

, Notary Public

My commission expires:



SYBIL V. ROE
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires June 1, 2006

Page 2 of 4

EXHIBIT D TO OPTION CONTRACT

SLAUGHTER EXHIBIT D 100104

LIBER 1289 FOLIO 122

"OPTIONEE"

ATTEST:

ALLEN & ROCKS, INC.



By Nicholas P. H. Rocks (Seal)
Nicholas P. H. Rocks, President

STATE OF Maryland, COUNTY OF Talbot, to wit:

On this 1 day of November 2004, before me, the undersigned officer, personally appeared Nicholas P. H. Rocks, who acknowledged himself to be the President of Allen & Rocks, Inc, a Delaware Corporation, and that he as such President of such corporation, being authorized to do so, executed the foregoing Memorandum of Option for the purposes therein contained by signing the name of the corporation by himself as President of the Corporation.

In witness whereof I hereunto set my hand and official seal:

Carol Ann Goshorn
Notary Public

My commission expires: 1-1-06



AFTER RECORDING RETURN TO:
OMALLEY, MILES, NYLEN
& GILMORE, P.A.
P.O. Box 689
Greenbelt, MD 20768

AFTER RECORDING, RETURN TO:

Page 3 of 4

EXHIBIT D TO OPTION CONTRACT

SLAUGHTER EXHIBIT D-100104

LIBER 1289 FOLIO 123

AFTER RECORDING RETURN TO:
OMALLEY, MILES, NYLEN
& GILMORE, P.A.
P.O. Box 689
Greenbelt, MD 20768

AFTER RECORDING RETURN TO:
OMALLEY, MILES, NYLEN
& GILMORE, P.A.
P.O. Box 689
Greenbelt, MD 20768

Page 4 of 4

EXHIBIT D TO OPTION CONTRACT

SLAUGHTER EXHIBIT D 100104

LIBER 1289 FOLIO 124

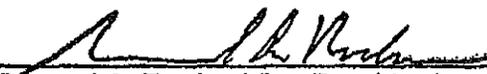
LIBER 1428 FOLIO 199

**ASSIGNMENT AND TRANSFER OF INTEREST IN
AGREEMENT OF SALE AND OPTION**

For and in consideration of ten dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Allen & Rocks, Inc. (the "Assignor") hereby sells, transfers, sets over and assigns to SLAUGHTER LAND LLC, a Maryland limited liability company, (the "Assignee"), all of Assignor's legal and beneficial right, title and interest in and to that certain "AGREEMENT OF SALE AND OPTION", for the sale and purchase of approximately 2.359 acres of land located in Talbot County, Maryland, (Tax Map 55, Grid 13, Parcel 66, with deed references 543/61 and 559/56), made and entered into by and between D. Estelle and Elizabeth Slaughter ("Seller" thereunder) and ALLEN & ROCKS, INC., a Delaware Corporation, and/or Assigns ("Buyer" thereunder), and dated 1 October 2004 and executed by Seller on November 3, 2004 and by Buyer on November 1, 2004, (hereinafter, the "Agreement"). By acceptance of this Assignment and Transfer, Assignee agrees to be bound by all terms and conditions of the of the Agreement, and accepts all benefits conferred and liabilities imposed upon the Buyer under said Agreement. This Assignment is effective for all purposes as of the date of its execution.

In Witness Whereof, the parties hereto have executed this Assignment and Transfer as of the 21st day of September, 2005.

Allen & Rocks, Inc.

By:  (SEAL)
Samuel A. Rocks, Vice President

SLAUGHTER LAND LLC
By: Allen & Rocks, Inc., its Manager

By:  (SEAL)
S. Randall Cohen, Vice President

AGREEMENT OF SALE AND OPTION

24th THIS AGREEMENT of Sale and Option, the "Agreement", is made this day of June 2002 by and between Wise Oil & Fuel, Inc., a Maryland Corporation, the "Seller", and Allen & Rocks, Inc., a Delaware Corporation, and/or Assigns, the "Buyer".

WHEREAS, Seller owns approximately 36,000 square feet of land, more or less, located in Talbot County, Maryland, and identified in the land records of Talbot County on Tax Map 54, Grid 18, Parcel 169, Liber 406, Folio 688, hereinafter referred to as the "Property"; and

WHEREAS, Seller wishes to sell and Buyer wishes to buy the Property under the following terms and conditions; and

NOW THEREFORE, for the sum of ten dollars, receipt of which Seller acknowledges, and for such other good and valuable consideration, as is herein contained, Seller and Buyer agree as follows:

- 1) The Deposits: Buyer shall pay Seller a nonrefundable deposit of the [REDACTED] Thousand Dollars, [REDACTED] within fifteen (15) days of Seller's execution of this Agreement, the "Deposit".
- 2) The Approvals: From the date of Seller's execution of this Agreement, Seller shall grant Buyer Seventy-Two (72) months to obtain the following approvals (collectively, the "Approvals"):
 - a) The Annexation of the Property into the Town of Trappe, the "Town";
 - b) A Zoning Classification of Buyer's choice for the Property from the Town and the County of Talbot, the "County";
 - c) The Final Approval by the Town of Buyer's site plan, the "Plan", for the Property, so that Buyer can commence development;
 - d) Public Utility Service to the Property (including, but not limited to: sewer, water, gas, electric, and cable TV) from the Town, or such other entities that will provide such services to the Property;
 - e) Public Utility capacity for Buyer's entire Plan from the Town, or such other entities that will provide such services to the Property; and
 - f) The Issuance of all the necessary permits--by the Town, by the County, by the State of Maryland, and by the Federal government (and each of their respective agencies)—so that Buyer can commence development of the Property according to the Plan.

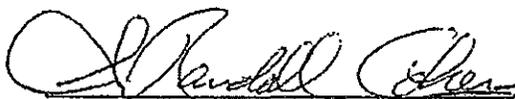
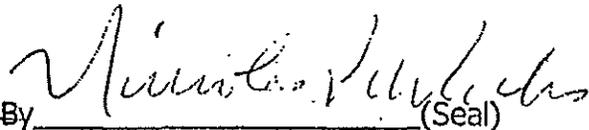
Buyer agrees to diligently pursue the Approvals. Seller agrees to fully cooperate, at no expense to Seller, in obtaining the Approvals. This cooperation by Seller includes, but is not limited to, Seller signing, within Five (5) Days of Buyer's request, all applications and documents, necessary

IN WITNESS HEREOF, Buyer and Seller affix their signatures and seals below:

"BUYER"

ATTEST:

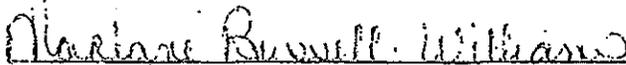
ALLEN & ROCKS, INC.

 By  (Seal)
Nicholas P. H. Rocks, President

STATE OF Virginia, COUNTY OF Fairfax, to wit:

On this 31st day of June 2002, before me, the undersigned officer, personally appeared Nicholas P. H. Rocks, who acknowledged himself to be the President of Allen & Rocks, Inc, a Delaware Corporation, and that he as such President of such corporation, being authorized to do so, executed the foregoing Agreement of Sale and Option for the purposes therein contained by signing the name of the corporation by himself as President of the Corporation.

In witness whereof I hereunto set my hand and official seal:


Notary Public

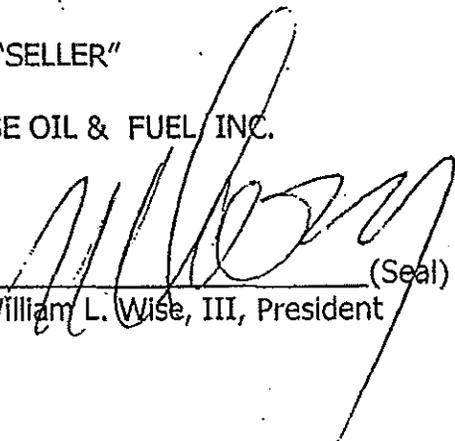
My commission expires: MARCH 31, 2005

"SELLER"

WISE OIL & FUEL, INC.

ATTEST:

Stevie L. Mblett

By  (Seal)
William L. Wise, III, President

STATE OF Maryland, COUNTY OF Dorchester, to wit:

On this 18 day of July 2002, before me, the undersigned officer, personally appeared William L. Wise, III, who acknowledged himself to be the President of Wise Oil & Fuel, Inc., the owner of the Property, and being authorized to do so, executed the foregoing Agreement of Sale and Option for the purposes therein contained by signing his name.

In witness whereof I hereunto set my hand and official seal:

, Notary Public

My commission expires:

11-1-02

EXHIBIT A TO AGREEMENT OF SALE AND OPTION

**WRITTEN CONSENT IN LIEU OF A MEETING
OF THE BOARD OF DIRECTORS
OF WISE OIL & FUEL, INC.**

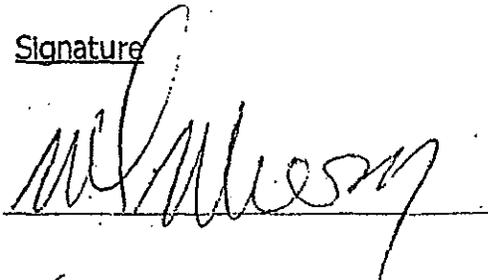
The undersigned, being all of the Directors of Wise Oil & Fuel, Inc., a Maryland corporation (the "Corporation"), do hereby consent in writing to the adoption of the following resolutions:

1. **RESOLVED:** That the Corporation, is authorized to enter into that certain agreement entitled "Agreement of Sale and Option" (hereinafter, the "Agreement"), with Allen & Rocks, Inc, and/or Assigns (hereinafter, the "Buyer"), for the sale of approximately 36,000 square feet of land, more or less, located in Talbot County, Maryland, and identified in the land records of Talbot County on Tax Map 54, Grid 18, Parcel 169, Liber 406, Folio 688 (hereinafter, the "Property"), on the terms and conditions as set forth in the Agreement, as said Agreement may be amended from time to time as the President, or as the Vice President, or as the Secretary of the Corporation is hereby authorized to do.
2. **RESOLVED:** That the Corporation, through the officers—the President, the Vice President, and the Secretary--hereinafter the "Officers", whose signatures and titles are set forth in paragraph 3 below, any one of whom acting alone can bind the Corporation, is authorized to amend the Agreement as may be necessary and desirable in the opinion of the Officers to best serve the Corporation, and the Officers are directed to take any and all actions necessary to consummate the Agreement by entering into any agreement and executing any documents that the Officers deem necessary, desirable, convenient or appropriate with respect to consummation of the Agreement, including, but not limited to, Seller granting to Buyer without payment (over the portions of the Property encumbered by Seller's Mortgage) whatever easements—for water, for sewer, for storm water, for roadways, for entrances, for sidewalks, for grading, or for such other utilities--that are necessary for Buyer's development of the Property and is further set forth under the Agreement. In addition, the Officers are authorized to sign whatever documents are necessary to facilitate the Buyer's development of the Property, for instance, record plats, releases; certificates, affidavits, and any other documents necessary to consummate the Agreement, including those documents necessary to obtain the "Approvals", as defined in the Agreement (collectively, along with the Agreement, the "Sale Documents").
3. **RESOLVED:** The following named individuals (i) are, on the date of this Resolution, duly appointed, qualified and acting officers of the Corporation, holding the respective offices set forth below opposite their names, (ii) have been and are duly authorized to execute, seal and deliver, in the name of, and for and on behalf of,

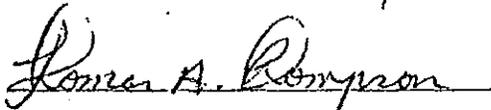
the Corporation, the Sale Documents to be executed and delivered by the Corporation and to take any and all actions necessary with respect to the above-described transaction, including, without limitation, the giving of and receiving of notices and other communications in connection with the Sale Documents and the transaction to be effected, and (iii) have signed their names in the spaces provided below, which signatures are their true and genuine signatures:

Signature

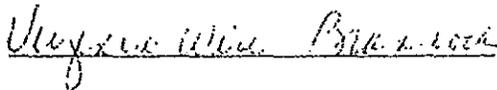
Name and Title



William L. Wise, III, President



Thomas A. Thompson, Vice President

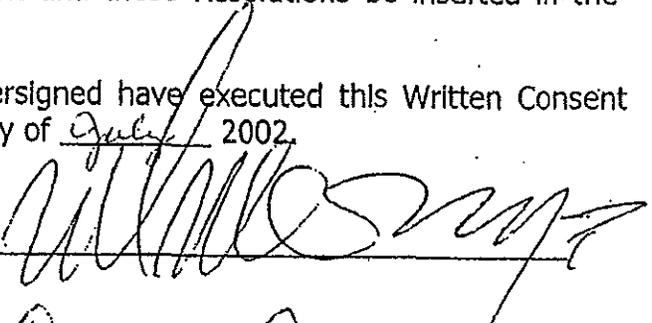


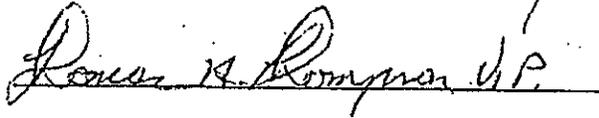
Virginia Wise Brannock
Virginia Wise Brannock,
Secretary-Treasurer

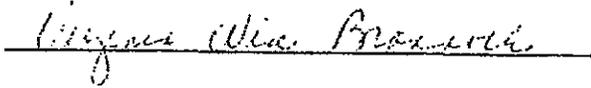
4. **RESOLVED:** That each Officer is hereby authorized and directed in the name and on behalf of the Corporation to take any and all actions and to execute any and all documents and instruments which such officer determines in his or her sole and exclusive judgment to be necessary, desirable or appropriate, in connection with consummating the transaction described above, such determination to be evidenced conclusively by execution and delivery of any document reflecting that determination.
5. **RESOLVED:** That each Officer be and is hereby appointed to serve as Attorneys-in-Fact of the Corporation, with full independent authority in the name and on behalf of the Corporation to execute and deliver all documents and instruments and take all actions therein authorized.
6. **RESOLVED:** That the Secretary or any Assistant Secretary of the Corporation is authorized and directed to acknowledge the signature of any Officer on any document or instrument executed pursuant to the foregoing resolutions and to affix the corporate seal thereto and to execute and deliver certified copies of this action or any such document or instrument, but the actions by any Officer of the Corporation will be valid whether or not the Secretary or an Assistant Secretary has acknowledged their signature, and whether or not the corporate seal has been affixed.

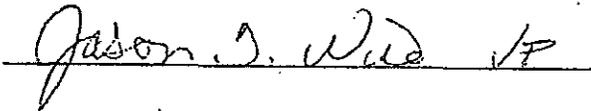
7. RESOLVED: That this Written Consent and these Resolutions may be executed in counterparts, each of which shall be deemed an original and all of which shall be a single instrument.
8. RESOLVED: That this Written Consent and these Resolutions be inserted in the minute book of the Corporation.

IN WITNESS WHEREOF, the undersigned have executed this Written Consent and these Resolutions, as of the 18th day of July, 2002.









**ASSIGNMENT AND TRANSFER OF INTEREST IN AGREEMENT OF SALE
AND PURCHASE**

For and in consideration of ten dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Allen & Rocks, Inc., a Delaware corporation (the "Assignor") hereby sells, transfers, sets over and assigns to TRAPPE WISE LLC, a Maryland limited liability company, (the "Assignee"), all of Assignor's legal and beneficial right, title and interest in and to that certain AGREEMENT OF SALE AND OPTION, for the sale and purchase of approximately 36,000 square feet of land located in Talbot County, Maryland, made and entered into by and between Wise Oil & Fuel, Inc. a Maryland corporation ("Seller" thereunder) and Allen & Rocks, Inc., a Delaware corporation ("Buyer" thereunder), and executed by Buyer on June 24, 2002, and by Seller on July 18, 2002 (hereinafter, the "Agreement"). By acceptance of this Assignment and Transfer, Assignee agrees to be bound by all terms and conditions of the of the Agreement, and accepts all benefits conferred and liabilities imposed upon the Buyer under said Agreement. This Assignment is effective for all purposes as of the date of its execution.

In Witness Whereof, the parties hereto have executed this Assignment and Transfer as of the 5th day of August, 2002.

"Assignor"
Allen & Rocks, Inc.

By:  (SEAL)
Nicholas P.H. Rocks, President

"Assignee"
TRAPPE WISE LLC
By: Allen & Rocks, Inc., its Manager

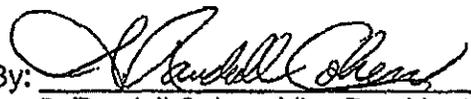
By:  (SEAL)
S. Randall Cohen, Vice President

EXHIBIT "F"

EXISTING AND REQUIRED DEVELOPMENT APPROVALS AND PERMITS

Existing Development Approvals and Permits

1. Establishment of Planned Neighborhood District zoning for the Property;
2. PUD Plan approval for Phases 1, 1A and 1B;
3. MDE Groundwater Discharge Permit

Required Development Approvals and Permits

1. State Highway Administration access and/or improvements construction permits;
2. MDE Water Appropriation Permit;
3. MDE Construction Permit(s) for water and wastewater infrastructure;
4. PUD Plan approval for all subsequent phases of Project;
5. Subdivision plat for all phases of Project;
6. Building and occupancy permits;
7. Zoning and site plan approvals for regional commercial uses;
8. Sewer and/or water reservations or allocations;
9. Variances;
10. Street vacations;
11. Site plan approvals;
12. Stormwater management plan approvals;
13. Sediment and erosion control approvals; and
14. Grading permits.

EXHIBIT "G"

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (herein "this Agreement") is entered by and between _____, a _____ (herein "Petitioner/Assignor"), the Town of Trappe, a municipal corporation, organized and existing under the laws of the State of Maryland ("Town") and _____, a _____ (herein "Assignee").

Recitals

b. The Petitioner has entered into a Development Rights and Responsibilities Agreement ("Development Agreement") with the Town of Trappe, which is dated ____, 2005 and which is recorded among the Land Records of Talbot County at Liber ____, folio _____. Pursuant to the Development Agreement, the Petitioner agreed to develop certain property more particularly described in the Development Agreement (herein "the Subject Property") subject to certain conditions and obligations set forth in the Development Agreement.

c. The Petitioner desires to assign its respective interests under the Development Agreement to Assignee under a written agreement dated _____, 200__, as to that portion of the Subject Property identified and described in Attachment No. 1, attached hereto and incorporated herein by this reference (herein the "Assigned Parcel(s)").

d. Pursuant to Section 2.6.3 of the Development Agreement, Assignee agrees to assume all of the Petitioner's obligations and be subject to all of the provisions of the Development Agreement with respect to the Assigned Parcel(s).

e. Assignee and Petitioner have complied with the requirements of Section 2.6.3. of the Development Agreement.

Agreements

NOW, THEREFORE, THE PETITIONER AND ASSIGNEE HEREBY AGREE AS FOLLOWS:

1. With respect to the Assigned Parcel(s), Assignee hereby assumes all of the burdens and obligations of the Petitioner under the Development Agreement, and agrees to assume and fully perform all of the duties and obligations of the Petitioner under the Development Agreement, and to be subject to all the terms and conditions thereof, it being the express intention and agreement of Petitioner, Assignee and Town that, upon the execution of this Agreement, Assignee shall become substituted for the Petitioner as the "Petitioner/Assignor" under the Development Agreement with respect to the Assigned Parcel(s).

2. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the Parties hereto and to their respective heirs, successors and assigns.

3. The Town of Trappe may rely upon this Agreement in consenting to the assignment of the Assigned Parcels hereunder.

4. This Agreement shall be recorded among the Land Records of Talbot County, Maryland.

5. The individuals executing this Agreement represent and warrant that they have the right, power, and legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the Petitioner/Assignor and the Assignee.

IN WITNESS WHEREOF, the Parties do hereby agree to the full performance of the terms set forth herein.

PETITIONER

By: _____
Title: _____
Date: _____

ASSIGNEE

By: _____
Title: _____
Date: _____

THE TOWN OF TRAPPE

By: _____
Title: _____
Date: _____

[ACKNOWLEDGMENTS ATTACHED]

ATTACHMENT NO. 1

LOCATION AND LEGAL DESCRIPTION OF
PORTION OF PROPERTY ASSIGNED

(Assigned Parcel(s))

EXHIBIT "H"

FORM OF ESTOPPEL CERTIFICATE

Date: _____, 20__

To: _____

Re: *Development Rights and Responsibilities Agreement, dated _____, 2005, executed by Trappe East, LLC ("Petitioner") and Town of Trappe, Maryland ("Town") and recorded at Liber _folio _____ in the Land Records of Talbot County, Maryland (the "Development Agreement").*

Ladies/Gentlemen:

In accordance with the Development Agreement, the [Town/Petitioner] has the authority to certify, as of the date hereof, the following. Capitalized terms herein will have the meanings assigned to them in the Development Agreement unless otherwise defined herein:

1. The Parcel covered by this Estoppel Certificate is depicted by Exhibit "A" attached hereto and is referred to herein as the "Parcel".

2. The Development Agreement is in full force and effect and has not been amended, modified or supplemented in any way except as specified herein.

3. The [Town/Petitioner] has not sent any notices of default to the [Petitioner/Town] of the Parcel under the Development Agreement which remain uncured, except as follows (if none, so indicate):

- a. _____; and
- b. _____.

4. This Estoppel Certificate is made by the Town and may be relied upon by the addressee in its capacity of a lender related to or secured by the Parcel or of a purchaser or lessee of the Parcel, as applicable. The undersigned has authority to execute this Estoppel Certificate on behalf of the Town.

Respectfully,

THE TOWN OF TRAPPE

By: _____
Name: _____
Title: _____

Exhibit: I

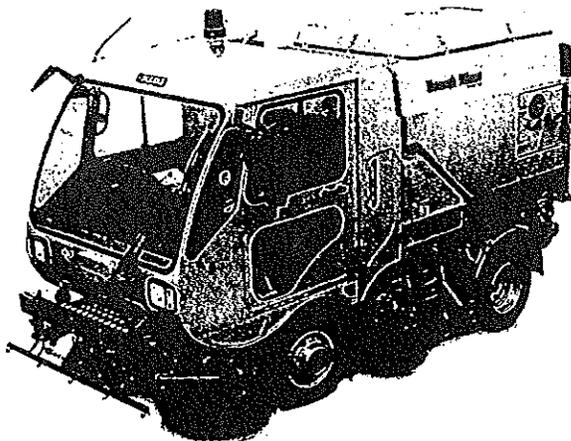
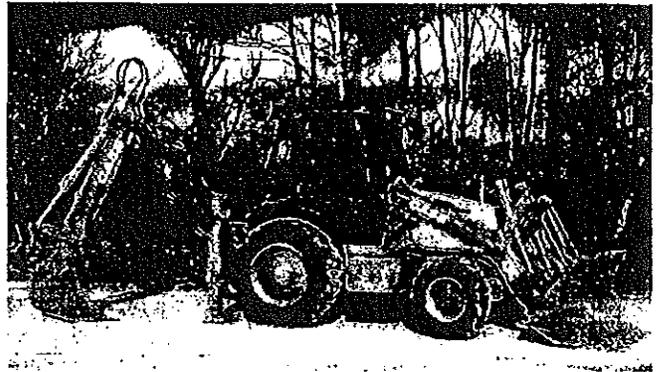
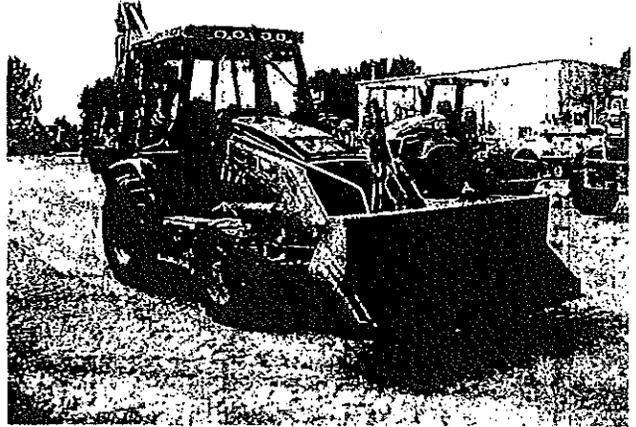
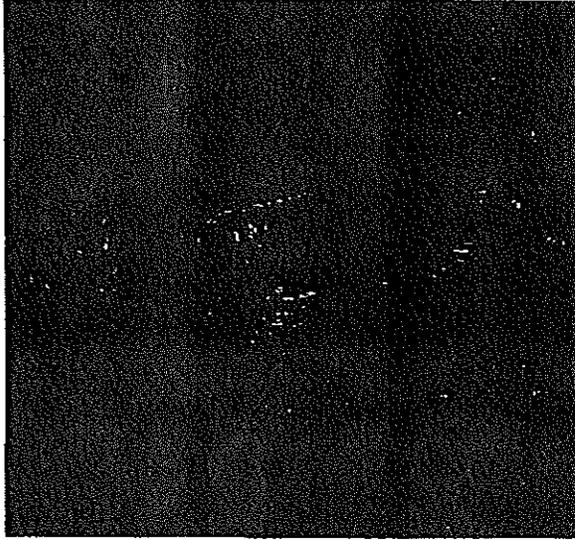


Exhibit: I

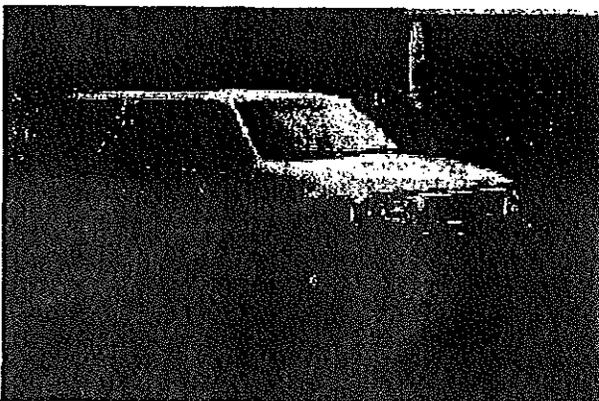
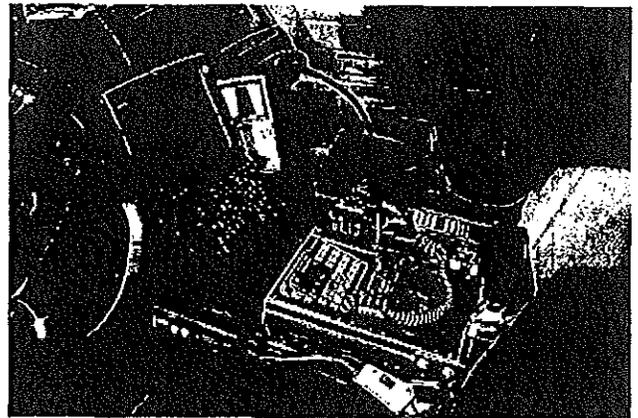
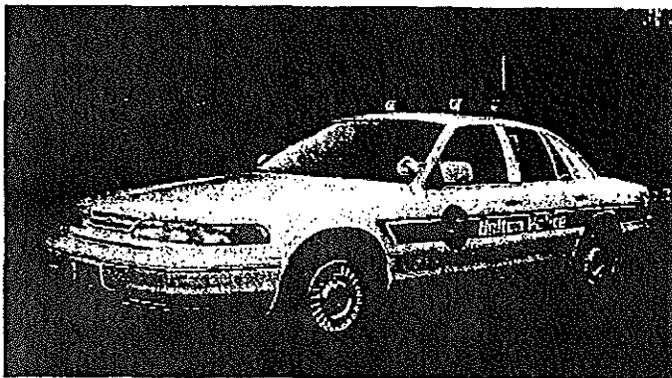
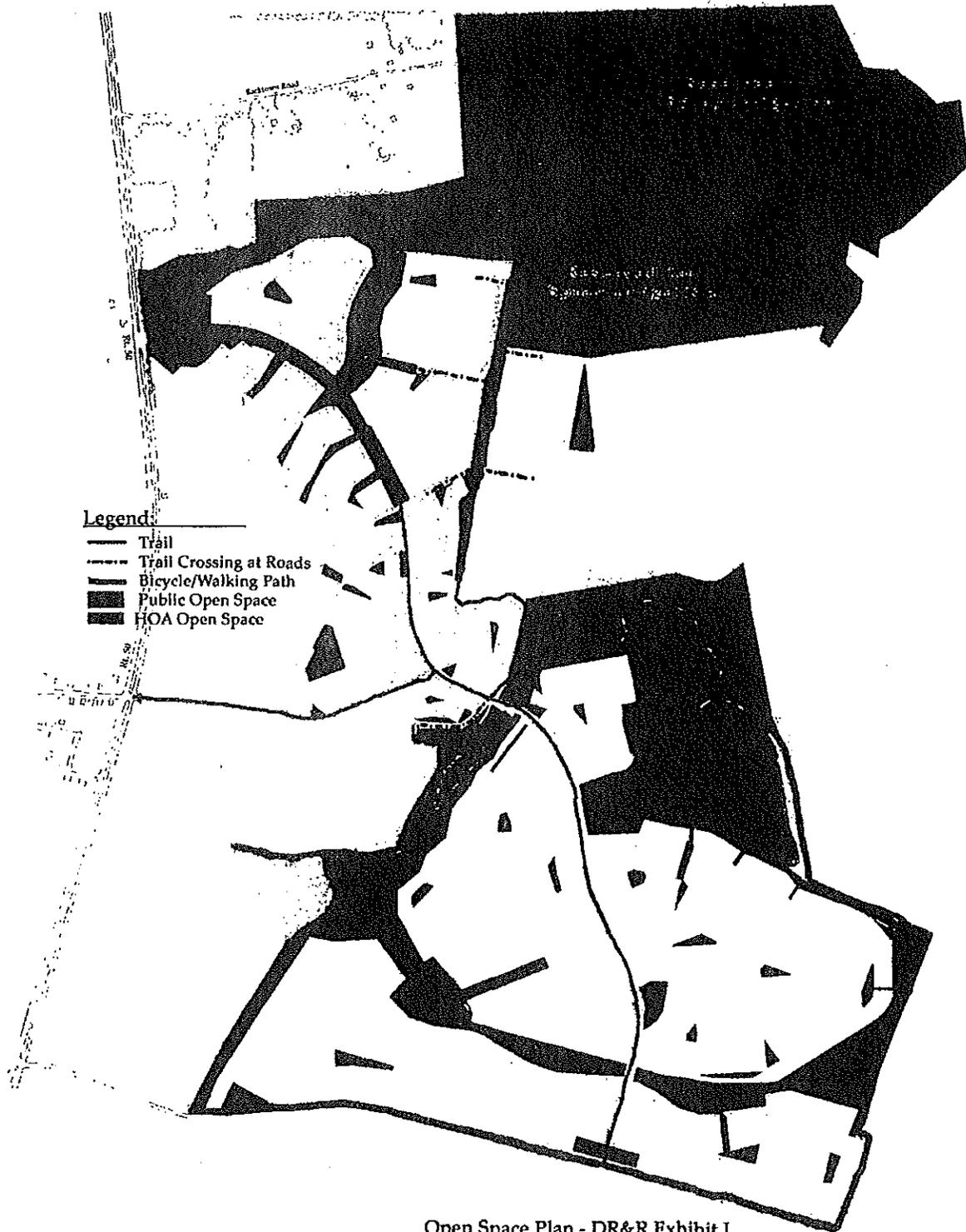


EXHIBIT "J"



Legend

- Trail
- - - Trail Crossing at Roads
- Bicycle/Walking Path
- Public Open Space
- ▨ HOA Open Space

Open Space Plan - DR&R Exhibit J

TRAPPE EAST

Talbot County, MD
October 19, 2005

Trappe East, LLC
Developer

Prepared by a professional engineer, subject to the design of
John M. Mynahan
Urban Design & Planning
Baltimore, Maryland

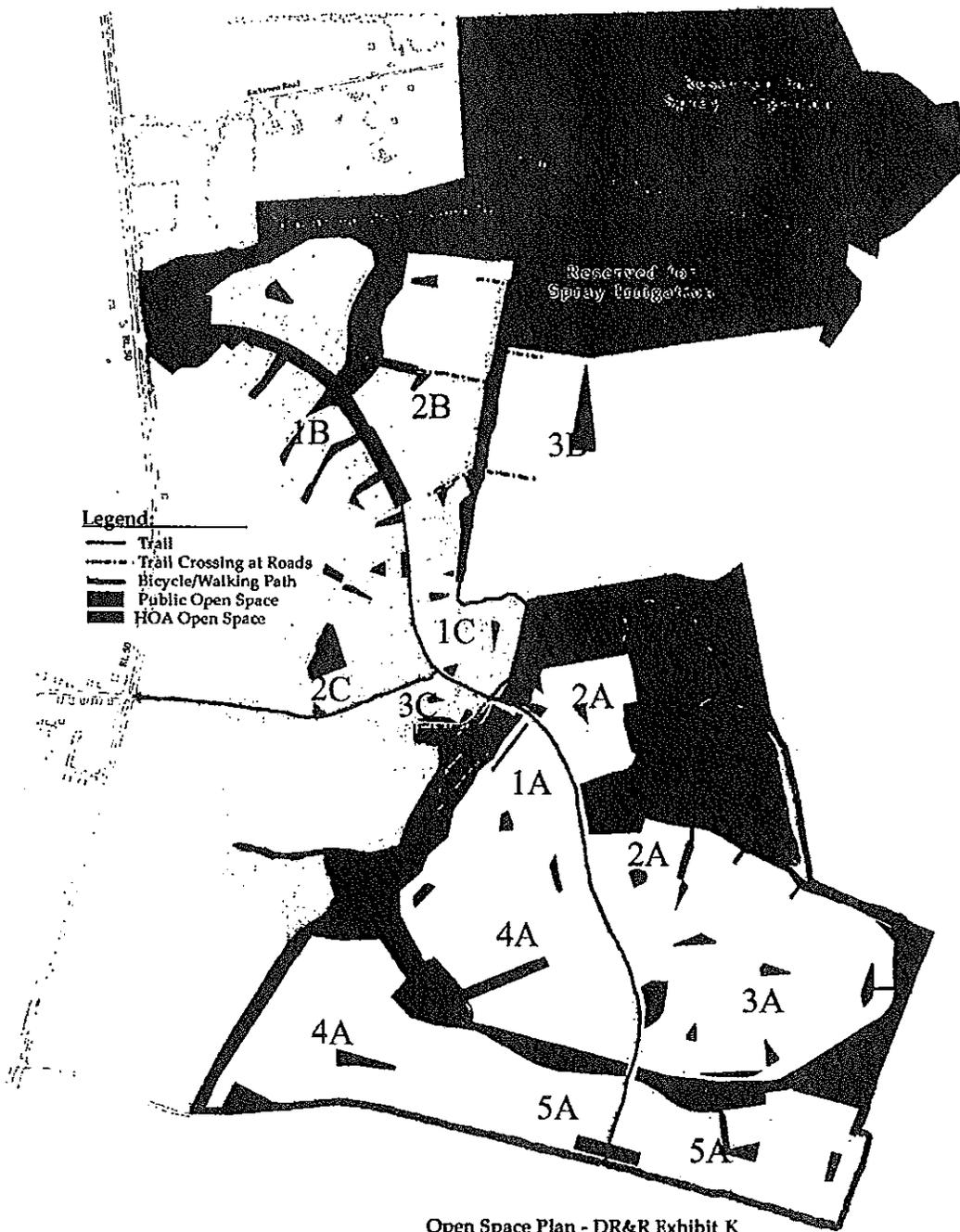
EXHIBIT "K"

CONSTRUCTION SCHEDULE TO COMPLETE TRAILS

- Phase 1A, B, and C - Bicycle/Walking Path along N/S Boulevard
- Phase 1A - Trail from Phase 1C to the Lakeside Park
- Phase 1A - Trail around the north and east side of the Lake
- Phase 1C - Trail on the east side of Phase 1C
- Phase 2A - Trail from Barber Road to wooded park north of LaTrappe Heights
- Phase 3A - Trail from the southeast corner of the Lake to Barber Road
- Phase 3A - Bicycle/Walking Path along Barber Road
- Phase 2C - Bicycle/Walking Path along Piney Hill
- Phase 2B - Trail on the east side of Phase 2B
- Phase 3C - Trail on the east side of the future Regional Commercial

NOTES:

- PHASES WILL BE APPROXIMATELY 250 UNITS PER PHASE.
- PHASES 1A, 1B, AND 1C ARE CONFIRMED AS SHOWN.
- THE LOCATION OF FUTURE PHASES WILL BE CONFIRMED IN SUBSEQUENT SUBMITTALS.
- TRAIL CONSTRUCTION WILL BE CONSISTENT WITH THE PHASE NUMBER REGARDLESS OF THE ACTUAL CONFIGURATION OF THE PHASE.



Open Space Plan - DR&R Exhibit K

TRAPPE EAST

Ta 1601 County, MD
October 19, 2005

Trappe East, LLC
Developer

For this project's purposes only, subject to change
John Moynihan
Urban Design & Planning
Baltimore, Maryland

0 20 40 60 80 METERS (1:10,000)