

EXHIBIT A

STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Villages of Leonardtown

TOTAL # OF PHASES: One

DEVELOPER: Marrick Properties, Inc. *

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 88

PROJECTED CONSTRUCTION START DATE: Dec. 2001 *

PROJECTED CONSTRUCTION COMPLETION DATE: June 2010 (both dates
are per record plat phase plan) *

FACILITIES TO BE CONSTRUCTED*: Water distribution system with all
appropriate appurtenances in accordance with the definition below and per the
approved construction plans as signed by the Metropolitan Commission's Chief
Engineer on 06/18/01.

COMMISSION PARTICIPATION: NONE

*The facilities listed also include FOR WATER PUMPING STATION: Wells, pumps,
controls, generators, chlorinators, compressors, meters, valves, interior and
exterior piping and appurtenances, together will all sites on which they are

situated and 20' access to the same; FOR WATER STORAGE TANKS: Elevated storage tanks, standpipes, ground storage tanks, hydropneumatic tanks and surge tanks as required by the Commission, together with all sites on which they are situated and 20' access to the same: FOR DISTRIBUTION SYSTEMS: Mains, fire hydrants, valves and valve boxes, fittings, blow offs, water house connections, water house service lines, curb stops, curb stop boxes, water meter settings and appurtenances, together with 20' permanent easements over the same for maintenance and modifications of and connection to these facilities; along with any and all other facilities or appurtenances which in any way could be construed as part of the water system.

Commission: BB

(Initials)

Developer: Marvin E. Oursler

Marvin E. Oursler
(Initials)

EXHIBIT B

STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: Villages of Leonardtown

TOTAL # OF PHASES: One

DEVELOPER: Marrick Properties, Inc.

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 88

PROJECTED CONSTRUCTION START DATE: December 2001 *

PROJECTED CONSTRUCTION COMPLETION DATE: June 2010 *
(Both Dates are Per Record Plat Phasing Plan)

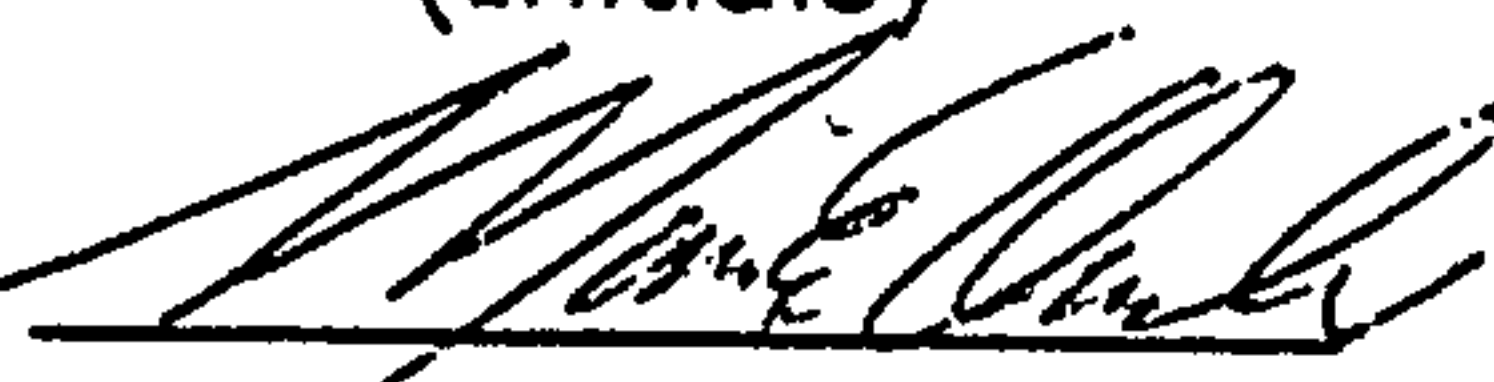
FACILITIES TO BE CONSTRUCTED*: Sewerage collection system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on 06/18/01

COMMISSION PARTICIPATION: NONE

*The facilities also include for WASTEWATER PUMPING STATIONS: pumps, wet

wells, generators, compressors, meters, valves, interior and exterior piping and appurtenances, together with all sites on which they are situated and 20' access to the same. FOR WASTEWATER TREATMENT PLANTS: Storage lagoons, physical plants influent and effluent lines, lift stations, generators, together with all sites on which they are situated and 20' access to the same; FOR COLLECTION SYSTEMS: Collector and lateral sewers, force mains, sewer house service lines, air release valves, together with 20' permanent easements over the same for maintenance and modifications of connection to these facilities, along with any and all other facilities or appurtenances which in any way could be construed as part of the sewerage system.

Commission: BB
(Initials)

Developer: 
Marvin E. Oursler
(Initials)



Western Surety Company

A Subsidiary of CNA Surety Corporation

PERFORMANCE BOND

BOND NUMBER 929199303

KNOW ALL MEN BY THESE PRESENTS, that MARRICK PROPERTIES, INC., 3150 West Road, Suite 401, Dunkirk, MD 20754, as Principal, and Western Surety Company, 8403 Colesville Road, Silver Spring, MD 20910, as Surety are held and firmly bound unto St. Mary's County Metropolitan Commission, 43990 Commerce Avenue, Hollywood, MD 20636, in the penal sum of SIX HUNDRED EIGHTY-SIX THOUSAND, TWO HUNDRED EIGHT AND NO/100 DOLLARS (\$686,208.00) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this 5TH Day of November 2001.

THE CONDITIONS OF THE ABOVE OBLIGATION ARE SUCH, that wherein the above bounden MARRICK PROPERTIES, INC., has entered into a Public Works Agreement with St. Mary's County Metropolitan Commission.

MARRICK PROPERTIES, INC.
The Villages of Leonardtown
Water & Sewer

NOW, THEREFORE, if said MARRICK PROPERTIES, INC. shall well and truly indemnify, keep and save harmless St. Mary's County Metropolitan Commission and pay for damage sustained on account of his failure to perform work in accordance with the provisions of said Public Works Agreement, then this obligation shall be null and void, otherwise to remain in full force and effect.

WITNESS

Norma Lee Perry

WITNESS

Coral Bergant

PRINCIPAL: MARRICK PROPERTIES, INC.

BY: CRBAILEY, JR.
VP.

SURETY: WESTERN SURETY COMPANY

BY: Aldo Pasquafello
Aldo Pasquafello, Attorney-in-Fact

△ SINCE 1900 △

1-800-331-6353

P. O. Box 5077
Sioux Falls, South Dakota 57117-5077

FAX 1-800-335-0357
<http://www.cnasurety.com>

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 1 day of October 1998, by and between the ST, MARY'S COUNTY

METROPOLITAN COMMISSION (hereinafter, the "Commission"),

Clement H. Brooke, (hereinafter, the "Developer"),

Party Walls, Inc., (hereinafter, the "Owner") and

First National Bank of St. Mary's, (hereinafter, the "Lender #1"),

First National Bank of St. Mary's, (hereinafter, the "Lender #2", Letter of Credit holder),

RECORDING FEE 0.00
TOTAL 0.00
Res#SM03 Rcpt#999999
EMA CSS Bk#1134
Sep 26, 2002 12:48 PM

WITNESSETH

WHEREAS, the Commission is responsible for all water and sewerage projects in the Eighth (8th) Sanitary District of St. Mary's County, Maryland (the "County"); and,

WHEREAS, Owner is the owner in fee simple of all that lot, tract or parcel of land located in St. Mary's County, Maryland, subject to this Agreement, more particularly described at Exhibit D, attached hereto and incorporated herein, (hereinafter referred to as the "Property"); and,

WHEREAS, the Developer is developing the Property situated within said Sanitary District of St. Mary's County, Maryland, known and further described as Willow Woods Subdivision, hereinafter referred to as the "Project"; and,

WHEREAS, the Developer, either by requirement of St. Mary's County or by choice, desires to construct certain central sewage facilities and/or central water facilities (the "Facilities"), to serve the Project; and,

WHEREAS, the Developer seeks the approval of the Commission for the construction

of the Facilities; and,

WHEREAS, the Concept Plan for the development of the Project has been submitted to and approved by the Board of County Commissioner of St. Mary's County or their duly appointed agent; and,

WHEREAS, Developer has designed the Facilities in accordance with the St. Mary's County Standard Specifications for Water and Sewerage Construction, the Comprehensive Water and Sewerage Plans for St. Mary's County and any other rules, regulations, directives or special instructions issued by the Commission for the State of Maryland and the Federal Government; and,

WHEREAS, Developer has submitted a statement(s) included as Exhibit A _____ and/or Exhibit B _____, attached hereto and incorporated herein, setting forth a proposed phasing for the construction of the Facilities and a proposed schedule of completion for said phase or phases, said statement having been approved by the Commission. The Developer has also submitted an itemized engineer's estimate which has been approved by the Commission.

WHEREAS, Developer has furnished a Performance and Payment bond or Irrevocable Letter of Credit which has been approved by the Commission, a copy of which appears at Exhibit C _____, payable to the Commission, its successors and assigns, in an amount of \$ 489,549.50 conditioned that the Developer shall well and truly perform and fulfill the covenants, conditions and terms of this Agreement, and shall assure payment for all materials utilized and work performed, all of which shall remain in force until the expiration of the warranty period as set forth in Paragraph EIGHTH.

WHEREAS, Developer has conveyed unto the Commission any and all required interest in the real property subject to development of the Facilities within the Project, including necessary interest in fee, as well as easements, rights of entry and other rights of way, as required by the Commission, more particularly set forth in Exhibit D, hereinafter referred to as "Commission Property"; and,

WHEREAS, Lender #1 is the holder of a recorded security interest in the Property; and,

WHEREAS, Lender #2, if any, and Owner, if different from Developer, have joined in the execution of these presents to acknowledge the obligations of the Developer set forth herein;

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

FIRST: The Commission shall grant unto Developer a right of entry onto the Commission Property for the purpose of construction and maintenance of the Facilities, provided, however, that Developer hold the Commission harmless for and indemnifies the Commission against any and all losses or damages incurred by the Commission during such time as Developer occupies such Commission Property, and further provided that Developer presents evidence of insurance coverage satisfactory to the Commission, including the naming the Commission as an additional insured, protecting all interests of the Commission.

SECOND: Developer shall construct all of the Facilities according to the schedule and in the phase or phases of construction as set forth herein, and in the case of multi-phased projects, no phase beyond the first shall be commenced until the Facilities under any of the previous phases have been approved and accepted by the Commission.

THIRD: Developer shall construct the Facilities in accordance with final plans and specifications, and amendments thereto, as approved by the Commission. In the event that final plans and specifications have not been approved at the time of execution of this Agreement, no work in connection with the construction of the Facilities shall be commenced prior to the approval by the Commission of such plans and specifications. Furthermore, within sixty (60) days after the construction of any phase of the Facilities is completed and approved, a completed set of "As-Built Mylar Drawings" shall be submitted to the Commission.

FOURTH: Developer shall maintain the Performance and Payment Bond or Letter of Credit provided in Exhibit C, for the period of construction of the Facilities, and for the period of the required warrantee as set forth herein.

FIFTH: Developer shall make available the Property to duly authorized representative of the Commission at all reasonable times for purposes of inspecting construction of the Facilities.

SIXTH: Developer shall pay the following fees and charges:

Review Fees: \$6,450.00 based upon \$75.00 per residential lot, or EDU and N/A per commercial lot or EDU, payable upon execution of this Agreement.

Inspection Charges: \$17,134.00 based upon 3.5% of the Performance and Payment Bond or Irrevocable Letter of Credit, payable upon execution of this Agreement. Said amount shall be placed in an account by the Commission and shall be drawn upon from time to time to reimburse the Commission for the direct and indirect

1. Payment in full at the time this Public Works Agreement is executed;
or
2. Payment in full anytime between the date of this Agreement and up to 365 days thereafter with a deferment charge of 10% per annum pro rated per diem to the date of payment. Payment date not to exceed 365 days after date of execution of this agreement. *

Water Storage Fees: \$450.00 _____ per EDU for developments without storage facilities that utilize the public water system, payable as set forth below:

1. Payment in full at the time this Public Works Agreement is executed;
or
2. Payment in full anytime between the date of this Agreement and up to 365 days thereafter with a deferment charge of 10% per annum pro rated per diem to the date of payment. Payment date not to exceed 365 days after date of execution of this Agreement. *

* If this option is selected, a bond in the amount of 110% of the amount due (\$66,220.00) will be required.

SEVENTH: No premises within the Project to be connected to the Facilities shall be occupied or used for any purpose whatsoever prior to the Facilities being accepted by the Commission without the express written prior approval of the Commission.

EIGHTH: Developer shall warrantee all mechanical, electrical and control Facilities for a period of twelve (12) months and all earthwork and associated underground construction for a period of eighteen (18) months after approval and acceptance by the

Commission. The warranties shall cover the cost of labor, equipment and materials necessary to correct any problems with the Facilities.

NINTH: The Parties hereto expressly acknowledge that the following shall constitute events of Default of this Agreement:

1. Failure of Developer to construct the Facilities according to the schedule and in the phase or phases as set forth herein.
2. Failure of Developer to construct the Facilities in accordance with the approved plans and specifications approved by the Commission, as set forth herein.
3. Failure of Developer to provide a complete set of "Mylar Drawings" pursuant to ¶ **THIRD** above.
4. Failure of Developer to maintain the required bond for the period of construction and warranty of the Facilities.
5. Failure of Developer to prosecute work according to standard specifications.
6. Failure of Developer to respond to requests to honor warranties within a reasonable time schedule, such schedule to be established by the Commission.
7. Failure of Developer to perform any of the terms and conditions of this Agreement.

TENTH: The parties hereto acknowledge and agree that in an event of Default the Commission may take any or all of the following actions:

1. Notify Developer to Stop Work.
2. Demand that Developer vacate Commission Property.

3. Notify Developer of intention to call bond.

The Commission may, in its sole discretion and for the benefit of the project, give Developer a reasonable period to cure an event of Default. Failure of Developer to cure Default during such cure period shall constitute an event of continuing Default, with all remedies available to the Commission. Forbearance by the Commission shall not constitute a waiver of its rights to declare subsequent default.

ELEVENTH: This Agreement shall be binding upon and inure to the benefit of the heirs, successors, personal representatives and assigns of the parties hereto.

WITNESS THE HANDS AND SEALS OF THE PARTIES HERETO THE DAY AND YEAR FIRST ABOVE WRITTEN:

WITNESS the hands and seals of the parties hereto, this 1 day of Oct 1998

ATTEST:

ST.MARY'S COUNTY METROPOLITAN COMMISSION

[Handwritten signature]

Secretary

By: *[Handwritten signature]*

Floyd B. Derby
Chairman

ATTEST:

DEVELOPER

By: *[Handwritten signature]*

Clement Brooke

PROPERTY OWNER *Party Walls, Inc.*

By: *[Handwritten signature]*

Clement Brooke, President

First National Bank of St Mary's
LENDER #1

By: *[Handwritten signature]*

Leonard Gray, Jr. Vice President

First National Bank of St Mary's
LENDER #2

By: *[Handwritten signature]*

Leonard Gray, Jr. Vice President

EXHIBITS: _____

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 1st day of October 19 98

before me a Notary Public in and for the County of St. Mary's aforesaid personally appeared Floyd B. Derby Chairman of the St. Mary's County Metropolitan Commission, and on behalf of said Commission did acknowledge the foregoing instrument to be the act and deed of the St. Mary's County Metropolitan Commission.

WITNESS my hand and Notarial Seal

Lillian J. Bayan

Notary Public

My Commission Expires: 02/01/00

(DEVELOPER)STATE OF _____

COUNTY OF _____

to wit:

I HEREBY CERTIFY that on this ____ day of _____, 19 __ before me,

the subscriber, a Notary Public in the county aforesaid, personally appeared _____ and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires: _____

(OWNER)STATE OF _____

COUNTY OF _____ to wit:

I HEREBY CERTIFY that on this ____ day of _____, 19 __ before me, the subscriber, a Notary Public in the county aforesaid, personally appeared _____ and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

_____ Notary Public

My Commission Expires: _____

(LENDER #1)

STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 20 day of August, 19 98 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared L. F. Gray, Jr. and that he/she/they acknowledged the execution of the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Thomas J. Weiland Notary Public

My Commission Expires: 7-1-99

(LENDER #2)

STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 20 day of August, 19 98 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared L. F. Gray, Jr. and that he/she/they acknowledged the execution of the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Thomas W. ... Notary Public

My Commission Expires: 7-1-99

EXHIBIT A
STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Willow Woods

TOTAL # OF PHASES: One

DEVELOPER: Clement H. Brooke

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 86

PROJECTED CONSTRUCTION START DATE: 06/01/98

PROJECTED CONSTRUCTION COMPLETION DATE: 06/01/00

FACILITIES TO BE CONSTRUCTED*: Water distribution system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on May 1998

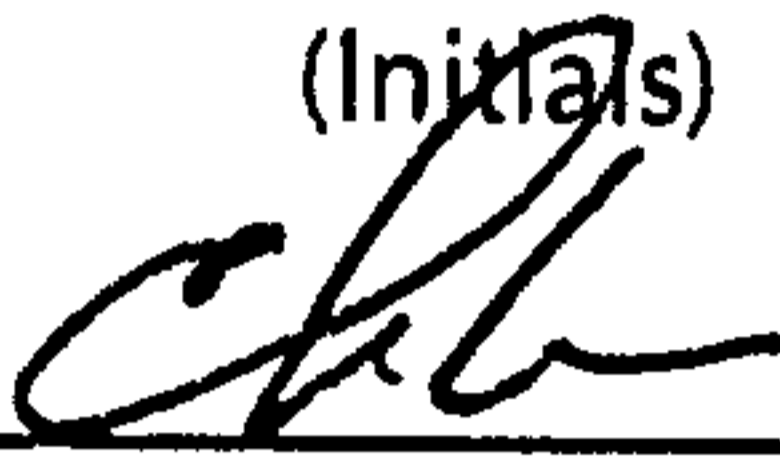
COMMISSION PARTICIPATION: NONE

*The facilities listed also include FOR WATER PUMPING STATION: Wells, pumps, controls, generators, chlorinators, compressors, meters, valves, interior and exterior piping and appurtenances, together with all sites on which they are situated and 20' access to the same; FOR WATER STORAGE TANKS: Elevated storage tanks, standpipes, ground storage tanks,

hydropneumatic tanks and surge tanks as required by the Commission, together with all sites on which they are situated and 20' access to the same: FOR DISTRIBUTION SYSTEMS: Mains, fire hydrants, valves and valve boxes, fittings, blow offs, water house connections, water house service lines, curb stops, curb stop boxes, water meter settings and appurtenances, together with 20' permanent easements over the same for maintenance and modifications of and connection to these facilities; along with any and all other facilities or appurtenances which in any way could be construed as part of the water system.

Commission: 

(Initials)

Developer: 

(Initials)

EXHIBIT B

STATEMENT OF

PROPOSED SEWER FACILITIES

AND PHASING

PROJECT NAME: Willow Woods

TOTAL # OF PHASES: One

DEVELOPER: Clement H. Brooke

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 86

PROJECTED CONSTRUCTION START DATE: 06/01/98

PROJECTED CONSTRUCTION COMPLETION DATE: 06/01/00

FACILITIES TO BE CONSTRUCTED*: Sewerage collection system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on May 1998


COMMISSION PARTICIPATION: NONE

*The facilities also include for WASTEWATER PUMPING STATIONS: pumps, wet wells, generators, compressors, meters, valves, interior and exterior piping and appurtenances, together with all sites on which they are situated and 20' access to the same. FOR

WASTEWATER TREATMENT PLANTS: Storage lagoons, physical plants influent and effluent lines, lift stations, generators, together with all sites on which they are situated and 20' access to the same; FOR COLLECTION SYSTEMS: Collector and lateral sewers, force mains, sewer house service lines, air release valves, together with 20' permanent easements over the same for maintenance and modifications of connection to these facilities, along with any and all other facilities or appurtenances which in any way could be construed as part of the sewerage system.

Commission: 

(Initials)

Developer: 

(Initials)

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 23 day of September 1998, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"),
The Winston Corporation, (hereinafter, the "Developer"),
The Winston Corporation, (hereinafter, the "Owner") and
Selective Insurance, (hereinafter, the "Lender #1", Letter of Credit holder),

RECORDING FEE 0.00
TOTAL 0.00
Res#SM03 Rcpt#999999
EMA CSS Bk#1134
Sep 26, 2002 12:40 PM

WITNESSETH

WHEREAS, the Commission is responsible for all water and sewerage projects in the Eighth (8th) Sanitary District of St. Mary's County, Maryland (the "County"); and,

WHEREAS, Owner is the owner in fee simple of all that lot, tract or parcel of land located in St. Mary's County, Maryland, subject to this Agreement, more particularly described at Exhibit D, attached hereto and incorporated herein, (hereinafter referred to as the "Property"); and,

WHEREAS, the Developer is developing the Property situated within said Sanitary District of St. Mary's County, Maryland, known and further described as Forest Run Townhouse Cluster, hereinafter referred to as the "Project"; and,

WHEREAS, the Developer, either by requirement of St. Mary's County or by choice, desires to construct certain central sewage facilities and/or central water facilities (the "Facilities"), to serve the Project; and,

WHEREAS, the Developer seeks the approval of the Commission for the construction of the Facilities; and,

WHEREAS, the Concept Plan for the development of the Project has been submitted to and approved by the Board of County Commissioner of St. Mary's County or their duly appointed agent; and,

WHEREAS, Developer has designed the Facilities in accordance with the St. Mary's County Standard Specifications for Water and Sewerage Construction, the Comprehensive Water and Sewerage Plans for St. Mary's County and any other rules, regulations, directives or special instructions issued by the Commission for the State of Maryland and the Federal Government; and,

WHEREAS, Developer has submitted a statement(s) included as Exhibit A and/or Exhibit B , attached hereto and incorporated herein, setting forth a proposed phasing for the construction of the Facilities and a proposed schedule of completion for said phase or phases, said statement having been approved by the Commission. The Developer has also submitted an itemized engineer's estimate which has been approved by the Commission.

WHEREAS, Developer has furnished a Performance and Payment bond or Irrevocable Letter of Credit which has been approved by the Commission, a copy of which appears at Exhibit C , payable to the Commission, its successors and assigns, in an amount of \$ 59,122.00 conditioned that the Developer shall well and truly perform and fulfill the covenants, conditions and terms of this Agreement, and shall assure payment for all materials utilized and work performed, all of which shall remain in force until the expiration of the warranty period as set forth in Paragraph EIGHTH.

WHEREAS, Developer has conveyed unto the Commission any and all required

interest in the real property subject to development of the Facilities within the Project, including necessary interest in fee, as well as easements, rights of entry and other rights of way, as required by the Commission, more particularly set forth in Exhibit N/A _____, hereinafter referred to as "Commission Property"; and,

WHEREAS, Lender #1 is the holder of a recorded security interest in the Property; and,

WHEREAS, Lender #2, if any, and Owner, if different from Developer, have joined in the execution of these presents to acknowledge the obligations of the Developer set forth herein;

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

FIRST: The Commission shall grant unto Developer a right of entry onto the Commission Property for the purpose of construction and maintenance of the Facilities, provided, however, that Developer hold the Commission harmless for and indemnifies the Commission against any and all losses or damages incurred by the Commission during such time as Developer occupies such Commission Property, and further provided that Developer presents evidence of insurance coverage satisfactory to the Commission, including the naming the Commission as an additional insured, protecting all interests of the Commission.

SECOND: Developer shall construct all of the Facilities according to the schedule and in the phase or phases of construction as set forth herein, and in the case of multi-phased projects, no phase beyond the first shall be commenced until the Facilities under any of the previous phases have been approved and accepted by the Commission.

THIRD: Developer shall construct the Facilities in accordance with final plans and

specifications, and amendments thereto, as approved by the Commission. In the event that final plans and specifications have not been approved at the time of execution of this Agreement, no work in connection with the construction of the Facilities shall be commenced prior to the approval by the Commission of such plans and specifications. Furthermore, within sixty (60) days after the construction of any phase of the Facilities is completed and approved, a completed set of "As-Built Mylar Drawings" shall be submitted to the Commission.

FOURTH: Developer shall maintain the Performance and Payment Bond or Letter of Credit provided in Exhibit C, for the period of construction of the Facilities, and for the period of the required warrantee as set forth herein.

FIFTH: Developer shall make available the Property to duly authorized representative of the Commission at all reasonable times for purposes of inspecting construction of the Facilities.

SIXTH: Developer shall pay the following fees and charges:

Inspection Charges: \$2,069.00 based upon 3.5% of the Performance and Payment Bond or Irrevocable Letter of Credit, payable upon execution of this Agreement. Said amount shall be placed in an account by the Commission and shall be drawn upon from time to time to reimburse the Commission for the direct and indirect cost of said Inspection service, and if said cost is less than the Inspection Charge initially collected, the remaining balance shall be returned to the Developer or, if the total Inspection cost is more than the Inspection Charge initially collected, the Developer shall pay to the Commission the difference.

Connection Charges: \$1,848.00 based upon \$88.00
 per connection payable upon execution of this Agreement or at the time a connection permit is issued.

Debt Service Charge: \$178.50 per month based upon N/A per EDU per month, or per front foot per year based on 1050 front feet, payment beginning at the time capacity allocation is made (Planning Commission approval or service is made available, whichever occurs first).

Sewer Impact Fees: \$1,260.00 based upon \$60.00
 per lot or EDU, applied for future upgrade of the Forrest Run Pump Station. This fee is levied because this section of the project lies entirely out of the designed service area for the above mentioned pump station.

Sewer Service Charge: \$328.65 per month based upon \$15.65 per month per EDU beginning when the service is utilized. This Service Charge reflects the currently approved rate and is subject to change.

Water Service Charge: \$210.42 per month based upon \$10.02 per month per meter for service and N/A per month per meter for Ready-to-Serve charge, beginning when the service is utilized. The meter will be read on a quarterly basis with an allowance of 18,000 gallons per quarter. \$1.67/1,000 gallons will be charged over the 18,000 gallon limit. This Service Charge reflects the currently approved rate and is subject to change.

Water Supply Fees: \$250.00 per EDU for development without supply (wells) that utilize the public water system, payable as set forth below:

1. Payment in full at the time this Public Works Agreement is executed;
or
2. Payment in full anytime between the date of this Agreement and up to 365 days thereafter with a deferment charge of 10% per annum pro rated per diem to the date of payment. Payment date not to exceed 365 days after date of execution of this agreement. *

Water Storage Fees: \$450.00 per EDU for developments without storage

facilities that utilize the public water system, payable as set forth below:

1. Payment in full at the time this Public Works Agreement is executed;
or
2. Payment in full anytime between the date of this Agreement and up to 365 days thereafter with a deferment charge of 10% per annum pro rated per diem to the date of payment. Payment date not to exceed 365 days after date of execution of this Agreement. *

Treatment Capacity Charge: \$500.00 per EDU for the allocation of

capacity at the Pine Hill Run Waste Water Treatment Plant, payable as set forth below:
6026400 Sewer Connec. Rev

1. Payment in full at the time this Public Works Agreement is executed;
or
2. Payment in full anytime between the date of this Agreement and up to 365 days thereafter with a deferment charge of 10% per annum pro rated per diem to the date of payment. Payment date not to exceed 365 days after date of execution of this Agreement. *

* If this option is selected, a bond in the amount of 110% of the amount due (\$27,720.00) will be required.

SEVENTH: No premises within the Project to be connected to the Facilities shall be occupied or used for any purpose whatsoever prior to the Facilities being accepted by the Commission without the express written prior approval of the Commission.

EIGHTH: Developer shall warrantee all mechanical, electrical and control Facilities for a period of twelve (12) months and all earthwork and associated underground construction for a period of eighteen (18) months after approval and acceptance by the Commission. The warranties shall cover the cost of labor, equipment and materials necessary to correct any problems with the Facilities.

NINTH: The Parties hereto expressly acknowledge that the following shall constitute events of Default of this Agreement:

1. Failure of Developer to construct the Facilities according to the schedule and in the phase or phases as set forth herein.
2. Failure of Developer to construct the Facilities in accordance with the approved plans and specifications approved by the Commission, as set forth herein.
3. Failure of Developer to provide a complete set of "Mylar Drawings" pursuant to ¶ **THIRD** above.
4. Failure of Developer to maintain the required bond for the period of construction and warranty of the Facilities.
5. Failure of Developer to prosecute work according to standard specifications.

6. Failure of Developer to respond to requests to honor warranties within a reasonable time schedule, such schedule to be established by the Commission.

7. Failure of Developer to perform any of the terms and conditions of this Agreement.

TENTH: The parties hereto acknowledge and agree that in an event of Default the Commission may take any or all of the following actions:

1. Notify Developer to Stop Work.
2. Demand that Developer vacate Commission Property.
3. Notify Developer of intention to call bond.

The Commission may, in its sole discretion and for the benefit of the project, give Developer a reasonable period to cure an event of Default. Failure of Developer to cure Default during such cure period shall constitute an event of continuing Default, with all remedies available to the Commission. Forbearance by the Commission shall not constitute a waiver of its rights to declare subsequent default.

ELEVENTH: This Agreement shall be binding upon and inure to the benefit of the heirs, successors, personal representatives and assigns of the parties hereto.

WITNESS THE HANDS AND SEALS OF THE PARTIES HERETO THE DAY AND YEAR FIRST ABOVE WRITTEN:

WITNESS the hands and seals of the parties hereto, this 23 day of September 1998

ATTEST:

ST. MARY'S COUNTY METROPOLITAN COMMISSION

[Signature]

Secretary

By: [Signature]

Floyd B. Derby
Chairman

ATTEST:

DEVELOPER
The Winston Corporation

[Signature]

By: [Signature]
Emmet B. Potter, President

PROPERTY OWNER *The Winston Corporation*

By: [Signature]
Emmet B. Potter, President

EXHIBITS: _____

LENDER #1 *Selective Insurance*
By: [Signature]
Frederick A. Tepel Attorney-in-Fact

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 1st day of October, 1998

before me a Notary Public in and for the County of St. Mary's aforesaid personally appeared

Floyd B. Derby Chairman of the St. Mary's

County Metropolitan Commission, and on behalf of said Commission did acknowledge the

foregoing instrument to be the act and deed of the St. Mary's County Metropolitan

Commission.

WITNESS my hand and Notarial Seal

Lillian J. Bayar Notary Public

My Commission Expires: 02/01/00

(DEVELOPER)STATE OF

Maryland

COUNTY OF

St. Mary's to wit:

I HEREBY CERTIFY that on this 23rd day of September, 1998 before me,

the subscriber, a Notary Public in the county aforesaid, personally appeared Emmett

B. Potter and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Brenda J. Guy Notary Public

My Commission Expires: 03-01-01

(OWNER)STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 23rd day of September, 19 98 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Emmett B. Potten and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Brenda J. Guy Notary Public

My Commission Expires: 03-01-01

(LENDER #1)

STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 23rd day of September, 19 98 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Frederick A. Tepel and that he/she/they acknowledged the execution of the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Brenda J. Guy Notary Public

My Commission Expires: 03-01-01

EXHIBIT A
STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Forest Run Townhouse Cluster
TOTAL # OF PHASES: One
DEVELOPER: The Winston Corporation

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 21

PROJECTED CONSTRUCTION START DATE: 1 Oct 98

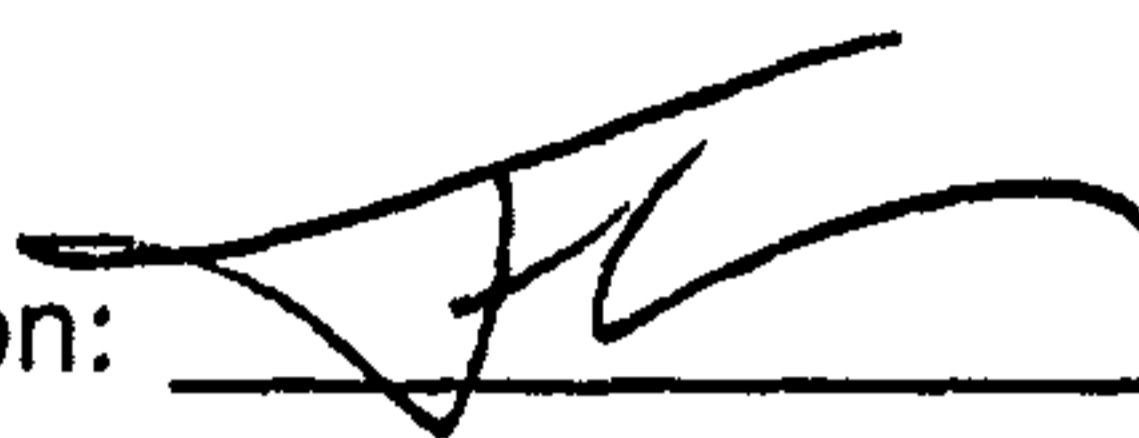
PROJECTED CONSTRUCTION COMPLETION DATE: 1 Oct 99

FACILITIES TO BE CONSTRUCTED*: Water distribution system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on 20 May, 1998

COMMISSION PARTICIPATION: NONE

*The facilities listed also include FOR WATER PUMPING STATION: Wells, pumps, controls, generators, chlorinators, compressors, meters, valves, interior and exterior piping and appurtenances, together with all sites on which they are situated and 20' access to the same; FOR WATER STORAGE TANKS: Elevated storage tanks, standpipes, ground storage tanks,

hydropneumatic tanks and surge tanks as required by the Commission, together with all sites on which they are situated and 20' access to the same: FOR DISTRIBUTION SYSTEMS: Mains, fire hydrants, valves and valve boxes, fittings, blow offs, water house connections, water house service lines, curb stops, curb stop boxes, water meter settings and appurtenances, together with 20' permanent easements over the same for maintenance and modifications of and connection to these facilities; along with any and all other facilities or appurtenances which in any way could be construed as part of the water system.

Commission: 

(Initials)

Developer: 

(Initials)

EXHIBIT B
STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: Forest Run Townhouse Cluster

TOTAL # OF PHASES: One

DEVELOPER: The Winston Corporation

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 21

PROJECTED CONSTRUCTION START DATE: 1 Oct 98


PROJECTED CONSTRUCTION COMPLETION DATE: 1 Oct 99

FACILITIES TO BE CONSTRUCTED*: Sewerage collection system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on 20 May, 1998

COMMISSION PARTICIPATION: NONE

*The facilities also include for WASTEWATER PUMPING STATIONS: pumps, wet wells, generators, compressors, meters, valves, interior and exterior piping and appurtenances, together with all sites on which they are situated and 20' access to the same. FOR

WASTEWATER TREATMENT PLANTS: Storage lagoons, physical plants influent and effluent lines, lift stations, generators, together with all sites on which they are situated and 20' access to the same; FOR COLLECTION SYSTEMS: Collector and lateral sewers, force mains, sewer house service lines, air release valves, together with 20' permanent easements over the same for maintenance and modifications of connection to these facilities, along with any and all other facilities or appurtenances which in any way could be construed as part of the sewerage system.

Commission: 

(Initials)

Developer: 

(Initials)

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 10th day of June, 1997, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"), Interstate General Company L.P., (hereinafter, the "Developer"), Interstate General Company L.P., (hereinafter, the "Owner") and James Cardinal Hickey, Roman Catholic Archbishop, a corporation sole and Edward J. Trust ^{Cook} B, (hereinafter, the "Lender #1"),

RECORDING FEE 0.00
 TOTAL 0.00
 Res#SM03 Rcpt#999999
 EWA CSS Bk#1134
 Sep 26, 2002 12:41 PM

WITNESSETH

WHEREAS, the Commission is responsible for all water and sewerage projects in the Eighth (8th) Sanitary District of St. Mary's County, Maryland (the "County"); and,

WHEREAS, Owner is the owner in fee simple of all that lot, tract or parcel of land located in St. Mary's County, Maryland, subject to this Agreement, more particularly described at Exhibit D, attached hereto and incorporated herein, (hereinafter referred to as the "Property"); and,

WHEREAS, the Developer is developing the Property situated within said Sanitary District of St. Mary's County, Maryland, known and further described as Westbury PUD, Phase II, Section II, hereinafter referred to as the "Project"; and,

WHEREAS, the Developer, either by requirement of St. Mary's County or by choice, desires to construct certain central sewage facilities and/or central water facilities (the "Facilities"), to serve the Project; and,

WHEREAS, the Developer seeks the approval of the Commission for the construction of the Facilities; and,

WHEREAS, the Concept Plan for the development of the Project has been submitted to and approved by the Board of County Commissioner of St. Mary's County or their duly appointed agent; and,

WHEREAS, Developer has designed the Facilities in accordance with the St. Mary's County Standard Specifications for Water and Sewerage Construction, the Comprehensive Water and Sewerage Plans for St. Mary's County and any other rules, regulations, directives or special instructions issued by the Commission for the State of Maryland and the Federal Government; and,

WHEREAS, Developer has submitted a statement(s) included as Exhibit A _____ and/or Exhibit B _____, attached hereto and incorporated herein, setting forth a proposed phasing for the construction of the Facilities and a proposed schedule of completion for said phase or phases, said statement having been approved by the Commission. The Developer has also submitted an itemized engineer's estimate which has been approved by the Commission.

WHEREAS, Developer has furnished a Performance and Payment bond or Irrevocable Letter of Credit which has been approved by the Commission, a copy of which appears at Exhibit C _____, payable to the Commission, its successors and assigns, in an amount of \$ 308,679.80 conditioned that the Developer shall well and truly perform and fulfill the covenants, conditions and terms of this Agreement, and shall assure payment for all materials utilized and work performed, all of which shall remain in force until the expiration

of the warranty period as set forth in Paragraph EIGHTH.

WHEREAS, Developer has conveyed unto the Commission any and all required interest in the real property subject to development of the Facilities within the Project, including necessary interest in fee, as well as easements, rights of entry and other rights of way, as required by the Commission, more particularly set forth in Exhibit E _____, hereinafter referred to as "Commission Property"; and,

WHEREAS, Lender #1 is the holder of a recorded security interest in the Property, and,

WHEREAS, Lender #2, if any, and Owner, if different from Developer, have joined in the execution of these presents to acknowledge the obligations of the Developer set forth herein;

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

FIRST: The Commission shall grant unto Developer a right of entry onto the Commission Property for the purpose of construction and maintenance of the Facilities, provided, however, that Developer hold the Commission harmless for and indemnifies the Commission against any and all losses or damages incurred by the Commission during such time as Developer occupies such Commission Property, and further provided that Developer presents evidence of insurance coverage satisfactory to the Commission, including the naming the Commission as an additional insured, protecting all interests of the Commission.

SECOND: Developer shall construct all of the Facilities according to the schedule and in the phase or phases of construction as set forth herein, and in the case of multi-phased projects, no phase beyond the first shall be commenced until the Facilities under any

of the previous phases have been approved and accepted by the Commission.

THIRD: Developer shall construct the Facilities in accordance with final plans and specifications, and amendments thereto, as approved by the Commission. In the event that final plans and specifications have not been approved at the time of execution of this Agreement, no work in connection with the construction of the Facilities shall be commenced prior to the approval by the Commission of such plans and specifications. Furthermore, within sixty (60) days after the construction of any phase of the Facilities is completed and approved, a completed set of "As-Built Mylar Drawings" shall be submitted to the Commission.

FOURTH: Developer shall maintain the Performance and Payment Bond or Letter of Credit provided in Exhibit C, for the period of construction of the Facilities, and for the period of the required warrantee as set forth herein.

FIFTH: Developer shall make available the Property to duly authorized representative of the Commission at all reasonable times for purposes of inspecting construction of the Facilities.

SIXTH: Developer shall pay the following fees and charges:

Inspection Charges: \$10,803.79 based upon 3.5% of the Performance and Payment Bond or Irrevocable Letter of Credit, payable upon execution of this Agreement. Said amount shall be placed in an account by the Commission and shall be drawn upon from time to time to reimburse the Commission for the direct and indirect cost of said Inspection service, and if said cost is less than the Inspection Charge initially collected, the remaining balance shall be returned to the Developer or, if the total

Inspection cost is more than the Inspection Charge initially collected, the Developer shall pay to the Commission the difference.

Connection Charges: \$4,488.00 based upon \$88.00 per connection payable upon execution of this Agreement or at the time a connection permit is issued.

Debt Service Charge: \$651.53 per month based upon N/A per EDU per month, or \$1.70 per front foot per year based on 4,599 front feet, payment beginning at the time capacity allocation is made (Planning Commission approval or service is made available, whichever occurs first).

Sewer Impact Fees: Upon approval by the Commission of this fee, the developer will be required to pay \$3,060.00 based upon \$60.00 per lot or EDU applied for future upgrade of the Forest Run Pump Station. This fee is levied because this section of the project lies entirely in the designed service area for the above mentioned pump station. This fee payable upon signature of this agreement.

Sewer Service Charge: \$667.08 per month based upon \$13.08 per month per EDU beginning when the service is utilized. This Service Charge reflects the currently approved rate and is subject to change.

Water Service Charge: \$520.20 per month based upon \$10.20 per month per meter for service and N/A per month per meter for Ready-to-Serve charge, beginning when the service is utilized. The meter will be read on a quarterly basis with an allowance of 18,000 gallons per quarter. \$1.70/1,000 gallons will be charged over the 18,000 gallon limit. This Service Charge reflects the currently

approved rate and is subject to change.

Water Supply Fees: \$250.00 _____ per EDU for development without supply (wells) that utilize the public water system, payable as set forth below:

1. Payment in full at the time this Public Works Agreement is executed,
or
2. Payment in full anytime between the date of this Agreement and up to 365 days thereafter with a deferment charge of 10% per annum pro rated per diem to the date of payment. Payment date not to exceed 365 days after date of execution of this agreement. *

Water Storage Fees: \$450.00 _____ per EDU for developments without storage facilities that utilize the public water system, payable as set forth below:

1. Payment in full at the time this Public Works Agreement is executed,
or
2. Payment in full anytime between the date of this Agreement and up to 365 days thereafter with a deferment charge of 10% per annum pro rated per diem to the date of payment. Payment date not to exceed 365 days after date of execution of this Agreement. *

* If this option is selected, a bond in the amount of 110% of the amount due (\$39,270.00) will be required.

SEVENTH: No premises within the Project to be connected to the Facilities shall be occupied or used for any purpose whatsoever prior to the Facilities being accepted by the Commission without the express written prior approval of the Commission.

EIGHTH: Developer shall warrantee all mechanical, electrical and control Facilities for a period of twelve (12) months and all earthwork and associated underground construction for a period of eighteen (18) months after approval and acceptance by the Commission. The warranties shall cover the cost of labor, equipment and materials necessary to correct any problems with the Facilities.

NINTH: The Parties hereto expressly acknowledge that the following shall constitute events of Default of this Agreement:

1. Failure of Developer to construct the Facilities according to the schedule and in the phase or phases as set forth herein.
2. Failure of Developer to construct the Facilities in accordance with the approved plans and specifications approved by the Commission, as set forth herein.
3. Failure of Developer to provide a complete set of "Mylar Drawings" pursuant to ¶ **THIRD** above.
4. Failure of Developer to maintain the required bond for the period of construction and warranty of the Facilities.
5. Failure of Developer to prosecute work according to standard specifications.
6. Failure of Developer to respond to requests to honor warranties within a reasonable time schedule, such schedule to be established by the Commission.
7. Failure of Developer to perform any of the terms and conditions of this Agreement.

TENTH: The parties hereto acknowledge and agree that in an event of Default the

Commission may take any or all of the following actions:

1. Notify Developer to Stop Work.
2. Demand that Developer vacate Commission Property.
3. Notify Developer of intention to call bond.

The Commission may, in its sole discretion and for the benefit of the project, give Developer a reasonable period to cure an event of Default. Failure of Developer to cure Default during such cure period shall constitute an event of continuing Default, with all remedies available to the Commission. Forbearance by the Commission shall not constitute a waiver of its rights to declare subsequent default.

ELEVENTH: This Agreement shall be binding upon and inure to the benefit of the heirs, successors, personal representatives and assigns of the parties hereto.

WITNESS THE HANDS AND SEALS OF THE PARTIES HERETO THE DAY AND YEAR FIRST ABOVE WRITTEN:

WITNESS the hands and seals of the parties hereto, this 18 day of Sept 1997

ATTEST:

ST.MARY'S COUNTY METROPOLITAN COMMISSION

[Signature]

Secretary

By: [Signature]
Francis L. Williams

Chairman

ATTEST:

[Signature]

Secretary

DEVELOPER
Interstate General Company LP
By: [Signature]
Edwin Kelly, President

PROPERTY OWNER
Interstate General Company LP
By: [Signature]
Edwin Kelly, President

[Signature]

James Cardinal Hickey, Roman Catholic Archbishop, a corporation sole,
LENDER #1
By: [Signature]

Rev. Msgr. Kevin J. Farrell, Secretary of Finance and Management

[Signature]

Edward I. Cook Trust
By: [Signature]
Edward W. Nylan, Trustee

EXHIBITS: _____

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 18th day of September 1997.

before me a Notary Public in and for the County of St. Mary's aforesaid personally appeared Francis L. Williams Chairman of the St. Mary's County Metropolitan Commission, and on behalf of said Commission did acknowledge the foregoing instrument to be the act and deed of the St. Mary's County Metropolitan Commission.

WITNESS my hand and Notarial Seal

Lillian J. Bryan Notary Public

My Commission Expires: **MY COMMISSION EXPIRES**
02/01/00

(DEVELOPER)STATE OF

Maryland

COUNTY OF

Charles

to wit:

I HEREBY CERTIFY that on this 11th day of July, 1997 before me

the subscriber, a Notary Public in the county aforesaid, personally appeared Edwin L. Kelley and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Martha Haupt Notary Public

My Commission Expires: 02-01-01

(OWNER)STATE OF Maryland

COUNTY OF Charles to wit:

I HEREBY CERTIFY that on this 11th day of July, 19 97 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Edwin L. Kelly and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Maitha Haupt Notary Public

My Commission Expires: 02-01-01

(LENDER #1)

STATE OF MARYLAND

COUNTY OF Prince Georges to wit:

I HEREBY CERTIFY that on this 8th day of August, 19 97 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Edward W. Nylen and that he/she/they acknowledged the execution of the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Carol A. Selman Notary Public



My Commission Expires: 8-31-99

(LENDER #2)

STATE OF Maryland

COUNTY OF Prince George's to wit:

I HEREBY CERTIFY that on this 15th day of August, 1997 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Kevin Farnell and that he/she/they acknowledged the execution of the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Stephen L. Ellison Notary Public

My Commission Expires: 9/1/98

EXHIBIT A
STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Westbury PUD, Phase II, Section II
TOTAL # OF PHASES: One
DEVELOPER: Interstate General Company, L.P.

PHASE I:

PLAT REF: MRB 382/79 # LOTS TO BE SERVED: 51

PROJECTED CONSTRUCTION START DATE: June 1997

PROJECTED CONSTRUCTION COMPLETION DATE: June 1999

FACILITIES TO BE CONSTRUCTED*: Water distribution system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on 12 June, 1997.

COMMISSION PARTICIPATION: NONE

*The facilities listed also include FOR WATER PUMPING STATION: Wells, pumps, controls, generators, chlorinators, compressors, meters, valves, interior and exterior piping and appurtenances, together with all sites on which they are situated and 20' access to the same; FOR WATER STORAGE TANKS: Elevated storage tanks, standpipes, ground storage tanks,

hydropneumatic tanks and surge tanks as required by the Commission, together with all sites on which they are situated and 20' access to the same: FOR DISTRIBUTION SYSTEMS: Mains, fire hydrants, valves and valve boxes, fittings, blow offs, water house connections, water house service lines, curb stops, curb stop boxes, water meter settings and appurtenances, together with 20' permanent easements over the same for maintenance and modifications of and connection to these facilities; along with any and all other facilities or appurtenances which in any way could be construed as part of the water system.

Commission: JLW
(Initials)

Developer: RM
(Initials)

EXHIBIT B

STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: Westbury PUD, Phase II, Section II
TOTAL # OF PHASES: One
DEVELOPER: Interstate General Company L.P.

PHASE I:

PLAT REF: MRB 382/79 # LOTS TO BE SERVED: 51

PROJECTED CONSTRUCTION START DATE: June 1997

PROJECTED CONSTRUCTION COMPLETION DATE: June 1999

FACILITIES TO BE CONSTRUCTED*: Sewerage collection system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on 12 June, 1997.

COMMISSION PARTICIPATION: NONE

*The facilities also include for WASTEWATER PUMPING STATIONS: pumps, wet wells, generators, compressors, meters, valves, interior and exterior piping and appurtenances, together with all sites on which they are situated and 20' access to the same. FOR

WASTEWATER TREATMENT PLANTS: Storage lagoons, physical plants influent and effluent lines, lift stations, generators, together with all sites on which they are situated and 20' access to the same; FOR COLLECTION SYSTEMS: Collector and lateral sewers, force mains, sewer house service lines, air release valves, together with 20' permanent easements over the same for maintenance and modifications of connection to these facilities, along with any and all other facilities or appurtenances which in any way could be construed as part of the sewerage system.

Commission: *plw*
(Initials)

Developer: *ek*
(Initials)

This is to certify that this Instrument was prepared by or under the direction of the undersigned, an attorney duly admitted to practice before the Court of Appeals of Maryland

11:37AM10/29/87A DEED \$31.50

11:37AM10/29/87A RECTAX \$8250.00

11:37AM10/29/87A TR.TAX \$6250.00

SPECIAL WARRANTY DEED

THIS DEED, made this 28th day of October in the year 1987, by WINSTON CORPORATION BENEFICIAL TRUST, a Maryland trust, acting herein by and through Edward J. Cook, its Trustee, party of the first part, as Seller, and INTERSTATE GENERAL COMPANY L.P., a Delaware corporation duly qualified to do business in Maryland, party of the second part, as Purchaser:

W I T N E S S E T H T H A T :

In consideration of the sum of One Million Two Hundred Fifty Thousand and 00/100 Dollars (\$1,250,000.00), the said Seller does hereby grant and convey unto said Purchaser, and its successors and assigns, in fee simple, all that lot or parcel of ground situate, lying and being in St. Mary's County, State of Maryland, and described as follows, that is to say:

The property described on Exhibit A attached hereto and incorporated herein by reference.

Together with the buildings and improvements thereupon, erected, made or being; and all and every, the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging, or anywise appertaining.

TO HAVE AND TO HOLD the said lot of ground and premises, above described and mentioned, and hereby intended to be conveyed; together with the rights, privileges, appurtenances and advantages thereto belonging or appertaining unto and to the proper use and benefit of the said Purchaser, its successors and assigns in fee simple. And the said Seller hereby covenants that it will warrant specially the property hereby granted and conveyed, and that it will execute such further assurance of said land as may be requisite.

200,35:28:October 27, 1987

Witness the hands and seals of the duly authorized representatives of the said Seller.

SELLER:

WINSTON CORPORATION
BENEFICIAL TRUST,
A Maryland Trust

WITNESS:

By: [Signature]
Print Name: Ingrid Dross

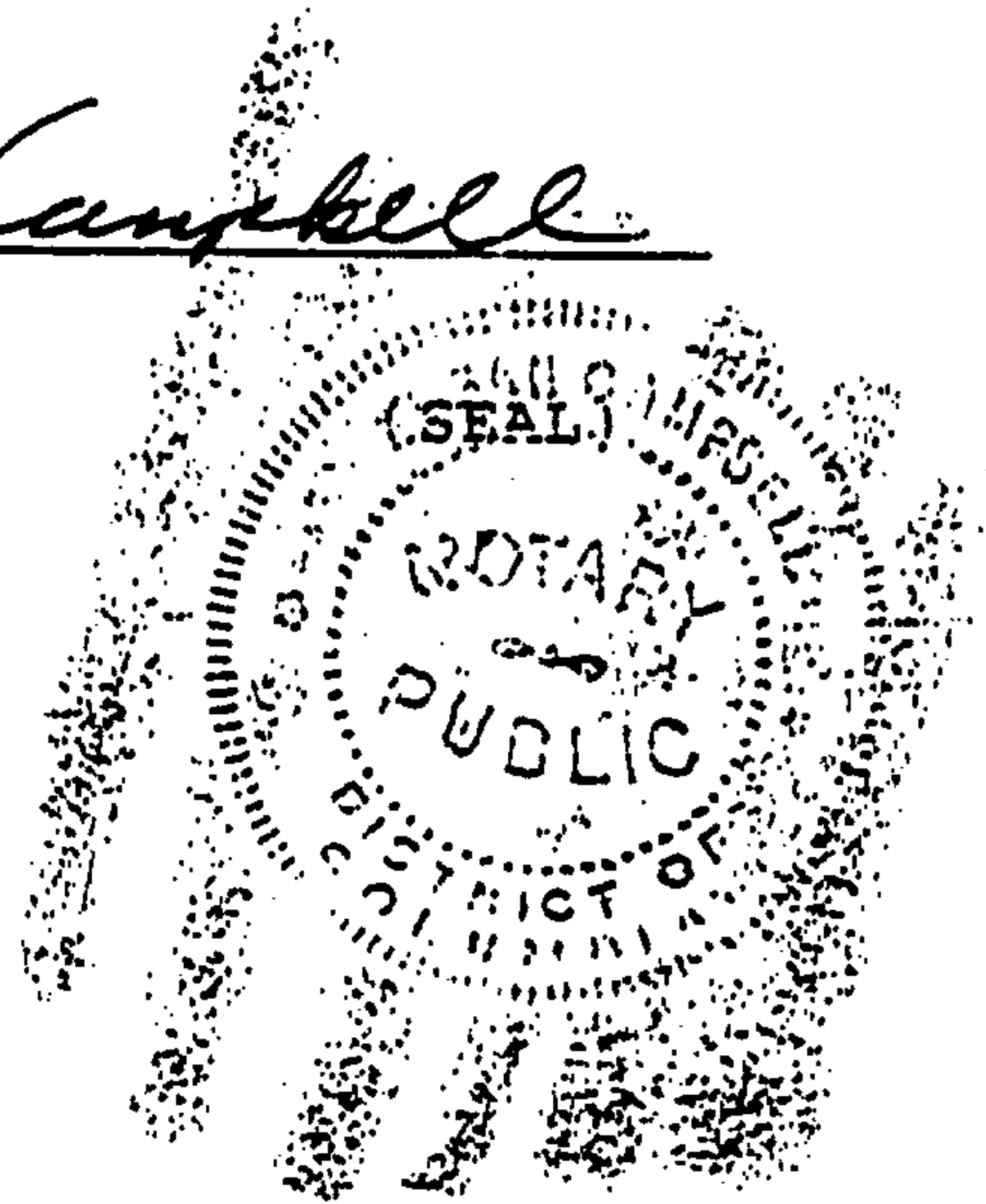
By: [Signature] [SEAL]
Edward J. Cook, Trustee

District of Columbia)
CITY/COUNTY OF _____) ss:

28th The foregoing instrument was acknowledged before me this day of October, 1987 by Edward J. Cook, Trustee of WINSTON CORPORATION BENEFICIAL TRUST, on behalf of said entity.

[Signature]
Notary Public

My Commission Expires:
11/14/91



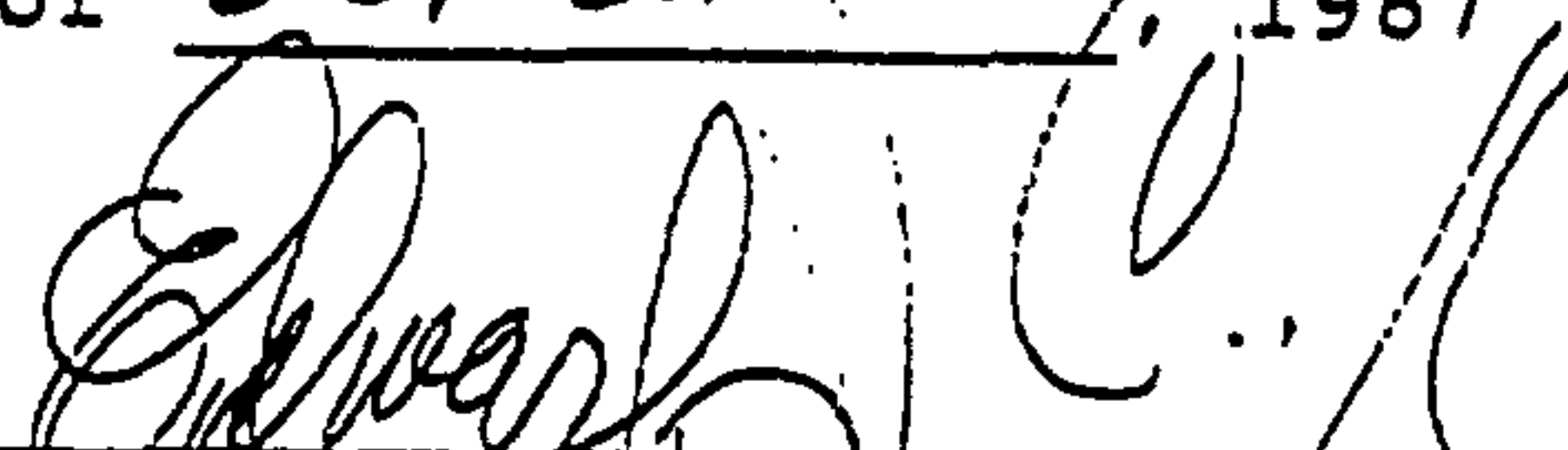
200,35:28:October 27, 1987

AFFIDAVIT

DISTRICT OF Columbia)
CITY/COUNTY OF _____) TO WIT:


I, Edward J. Cook, the duly authorized Trustee of the within named Seller, hereby certify, and swear or affirm, that the hereinabove recited consideration was received by such Seller at a time no later than the final and complete execution of this deed.

EXECUTED this 28th day of OCTOBER, 1987



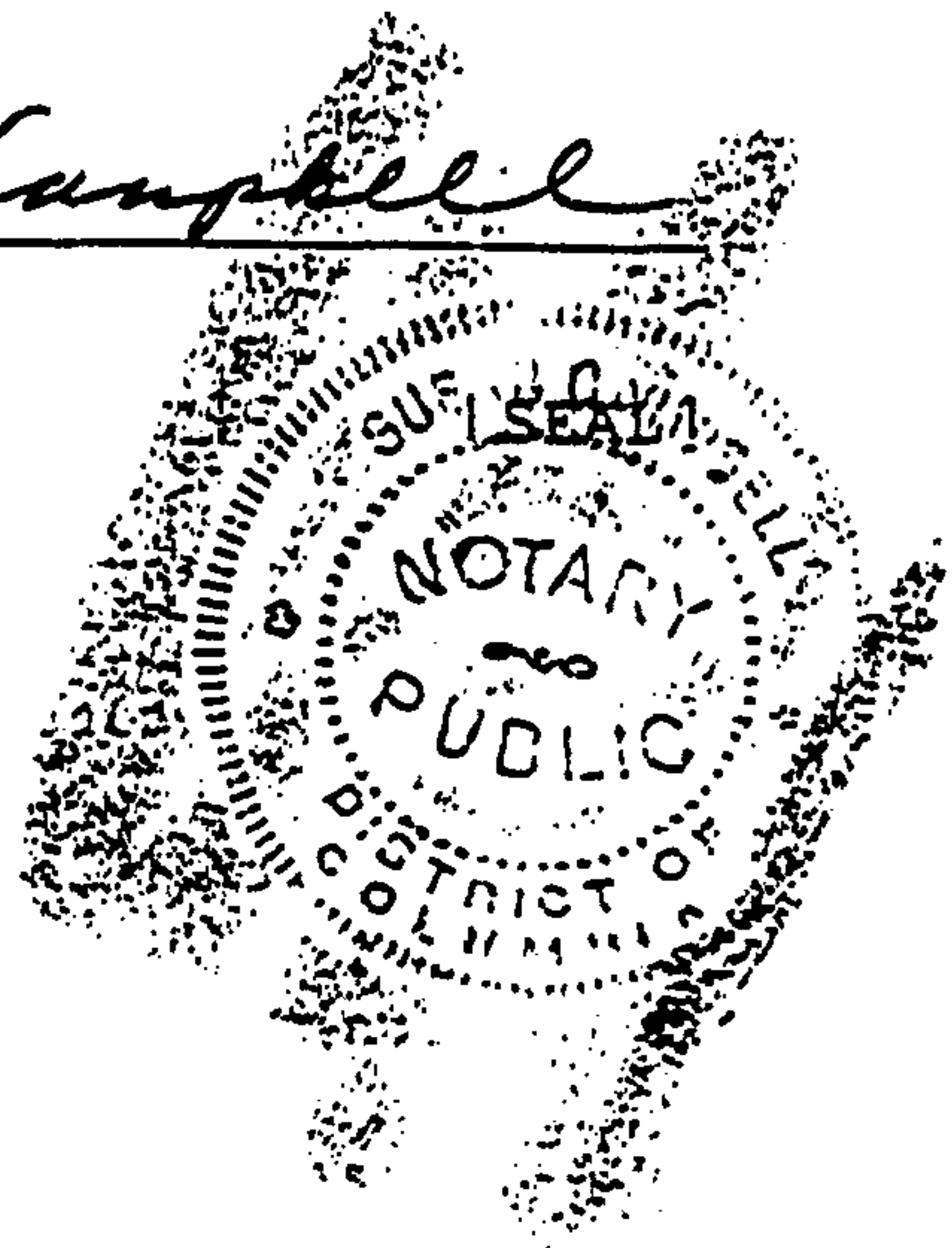
Edward J. Cook, Trustee
of Winston Corporation
Beneficial Trust [SEAL]

Sworn to, or affirmed, and subscribed before me this 28th day of October, 1987.



Notary Public

Commission Data:
EXPIRATION - 11/14/91



200,35:28:October 27, 1987

Parcel A

THE FOLLOWING DESCRIBED PARCEL OF LAND, SITUATED IN THE FIRST ELECTION DISTRICT, ST. MARY'S COUNTY, MARYLAND:

Beginning for the same at an iron pipe found in the Northerly right of way of Maryland State Route #246, an 80 foot right of way, also known as Great Mills Road. Said beginning point being further located as being the most Southeasterly corner of a tract or parcel of land standing in the name of Harry Leonard, as recorded among the Land Records of St. Mary's County, Maryland in Liber DBK 161 at Folio 331. Said beginning point being even further located as being the most Southwesterly corner of the herein described. Thence leaving the beginning point so fixed and running and binding on the Easterly outline of the said Leonard tract the following six (6) courses and distances, (1) North 33 degrees 15 minutes 06 seconds West 146.60 feet, (2) North 36 degrees 45 minutes 06 seconds West 188.76 feet, (3) North 35 degrees 45 minutes 06 seconds West 91.74 feet, (4) North 31 degrees 45 minutes 06 seconds West 192.72 feet, (5) North 37 degrees 45 minutes 06 seconds West 45.54 feet, (6) North 07 degrees 14 minutes 54 seconds East 112.20 feet to a cedar stake found; thence still with the outline of the said Leonard tract and a tract or parcel of land standing in the name of William E. Ritter, as recorded among the aforementioned Land Records in Liber DBK 235 at Folio 87, (7) South 51 degrees 59 minutes 54 seconds West 508.46 feet to an iron pipe found in the Easterly outline of a tract or parcel of land standing in the name of Philip J. Bean, as recorded among the Land Records in Liber EBA 19 at Folio 75. Said iron pipe also marking the most Westerly North corner of the said

Ritter tract; thence running and binding on the said Bean tract and generally with an old fence-line and portions of a flowing stream, the following five (5) courses and distances, (8) North 38 degrees 02 minutes 33 seconds West 187.51 feet, (9) North 15 degrees 46 minutes 10 seconds West 858.96 feet to an iron pipe set, (10) North 28 degrees 31 minutes 43 seconds West 233.99 feet to an iron pipe set, (11) North 57 degrees 44 minutes 25 seconds West 431.99 feet to a point of intersection with Jarboevilles Run. Said intersection marking a common corner of the said Bean tract and a tract or parcel of land, now or formerly, standing in the name of Rosia B. Cecil, as recorded among the aforementioned Land Records; thence running and binding on the said Cecil tract and generally with the centerline of said Jarboesville Run the following nine (9) courses and distances, (12) North 11 degrees 57 minutes 46 seconds West 181.69 feet, (13) North 44 degrees 14 minutes 49 seconds East 122.81 feet, (14) North 05 degrees 50 minutes 13 seconds East 147.69 feet, (15) North 08 degrees 38 minutes 29 seconds West 155.53 feet, (16) North 44 degrees 29 minutes 24 seconds East 266.73 feet, (17) North 07 degrees 31 minutes 10 seconds East 97.32 feet, (18) North 71 degrees 38 minutes 07 seconds East 178.61 feet, (19) North 47 degrees 03 minutes 19 seconds East 483.35 feet, (20) North 36 degrees 27 minutes 06 seconds East 550.25 feet to the outline of a tract or parcel of land standing in the name of Helen G. Strickland, as recorded among the Land Records of St. Mary's County, Maryland in Liber JMM 9 at Folio 389; thence running and binding on the said Strickland outline, as surveyed by C. R. Bob Moore, Inc. Professional Land Surveyor, dated May 12, 1976 the following eighteen (18) courses and distances, (21) North 48 degrees 13 minutes 37 seconds East 1,317.37 feet to a fence; thence with the said fence the following courses and distances, (22) North 83 degrees 10 minutes 28 seconds East 187.97 feet to an iron pipe found in the corner of said fence; thence, (23) South 00 degrees 04 minutes 11 seconds East 854.70 feet to an iron pipe found; thence, (24) South 19 degrees 17 minutes 12 seconds East 214.63 feet to the centerline of Jarboesville Run; thence running and binding on said Run the following courses and

distances, (25) South 70 degrees 39 minutes 12 seconds East 174.86 feet, (26) South 63 degrees 27 minutes 57 seconds East 91.11 feet, (27) South 46 degrees 20 minutes 13 seconds East 167.91 feet, (28) South 70 degrees 51 minutes 18 seconds East 148.25 feet, (29) South 31 degrees 59 minutes 05 seconds East 53.12 feet, (30) South 83 degrees 39 minutes 00 seconds East 134.90 feet, (31) North 70 degrees 27 minutes 10 seconds East 120.24 feet, (32) North 06 degrees 15 minutes 07 seconds East 31.59 feet, (33) North 52 degrees 26 minutes 22 seconds East 194.31 feet, (34) North 86 degrees 44 minutes 10 seconds East 165.46 feet, (35) South 66 degrees 31 minutes 28 seconds East 118.40 feet, (36) North 75 degrees 04 minutes 16 seconds East 118.78 feet, (37) North 69 degrees 03 minutes 09 seconds East 117.51 feet, (38) North 24 degrees 17 minutes 26 seconds East 123.04 feet to a P.V.C. in the outline of a tract or parcel of land standing in the name of S.M.P.I., Inc., as recorded among the Land Records of St. Mary's County, Maryland in Liber 151 at Folio 296; thence running and binding on said outline, (39) South 28 degrees 38 minutes 35 seconds East 124.98 feet to an iron pipe set; thence leaving the said S.M.P.I. outline and running and binding on the outline of a tract or parcel of land standing in the name of Fair May, Inc., and the outline of a tract or parcel of land, now or formerly, standing in the name of Anna Dean, the following eleven (11) courses and distances, (40) South 64 degrees 42 minutes 44 seconds West 1,185.23 feet to an iron pipe set in place of a hub found; thence, (41) South 32 degrees 31 minutes 52 seconds West 329.05 feet to an iron pipe found, (42) South 27 degrees 25 minutes 23 seconds West 161.34 feet to an iron pipe found marking the Northwesterly corner of the said Dean tract; thence, (43) South 31 degrees 08 minutes 36 seconds West 217.99 feet, (44) South 19 degrees 11 minutes 32 seconds West 117.02 feet, (45) South 08 degrees 36 minutes 41 seconds West 175.69 feet to an iron pipe found marking the Southwesterly corner of the said Dean tract; thence, (46) South 09 degrees 49 minutes 56 seconds West 463.80 feet, (47) South 10 degrees 19 minutes 58 seconds West 315.40 feet, (48) South 31 degrees 15 minutes 43 seconds East 126.72 feet, (49) South 45 degrees 15 minutes 43 seconds East 458.17 feet to an iron pipe found marking the most Westerly North

corner of a tract or parcel of land standing in the name of Lexington Park Volunteer Ambulance and Resque Squad, as recorded among the aforementioned Land Records in Liber DBK 172 at Folio 291; thence running and binding on the said tract, (50) South 45 degrees 37 minutes 15 seconds East 318.46 feet to an iron pipe found in the right of way of the aforementioned Maryland State Route #246; thence running and binding on said right of way, (51) South 70 degrees 12 minutes 59 seconds West 387.23 feet to a concrete monument set; thence leaving said right of way and passing through the lands of ^{N/F PETERS} ~~the Grantor herein~~ with the intent of following the stipulation of a will unto Helen G. Peters, (51) North 19 degrees 58 minutes 29 seconds West 171.14 feet to a concrete monument set, (52) South 70 degrees 01 minutes 31 seconds West 270.39 feet to a concrete monument set, (53) South 19 degrees 58 minutes 29 seconds East 166.41 feet to a concrete monument set in the aforementioned right of way; thence running and binding on said right of way with the arc of a curve to the right scribed by a delta angle of 03 degrees 10 minutes 52 seconds, a radius of 5,689.58 feet, an arc length of 315.90 feet and a long chord bearing and distances of, (54) South 73 degrees 54 minutes 33 seconds West 315.86 feet to the P. C. of said curve; thence (55) South 75 degrees 29 minutes 59 seconds West 319.86 feet to the point and place of beginning containing 166.698 acres of land, more or less.

Being a portion of a larger tract or parcel of land called and known as "Reeds Purchase" conveyed unto Martin Gasparovic and Anna Gasparovic, his wife, from Fannie Raley, by Deed, dated December 20, 1917 and recorded among the Land Records of St. Mary's County, Maryland in Liber EBA 16 at Folio 497, as surveyed by J. R. McCrone Jr., Inc., Registered Professional Engineers and Land Surveyors, September 21, 1978.

RECEIVED FOR TRANSFER
 State Department of
 Assessments & Taxation
 for St. Mary's County.

J. Murray 10/29/87
 By Date

THIS IS TO CERTIFY THAT ALL TAXES ON THIS PROPERTY HAVE BEEN PAID TO AND INCLUDING THE LEVY FOR THE YEAR OF 1987. TAX ID # 08-071684-7, 08-071683-9,
Elizabeth D. Depina Treasurer
 St. Mary's County, Md.

1-589610-80

This is to certify that this Instrument was prepared by or under the direction of the undersigned, an attorney duly admitted to practice before the Court of Appeals of Maryland



SPECIAL WARRANTY DEED

THIS DEED, made this 28th day of October in the year 1987, by FAIRMAY, INC., a Maryland corporation, party of the first part, as Seller, and INTERSTATE GENERAL COMPANY L.P., a Delaware corporation duly qualified to do business in Maryland, party of the second part, as Purchaser:

W I T N E S S E T H T H A T :

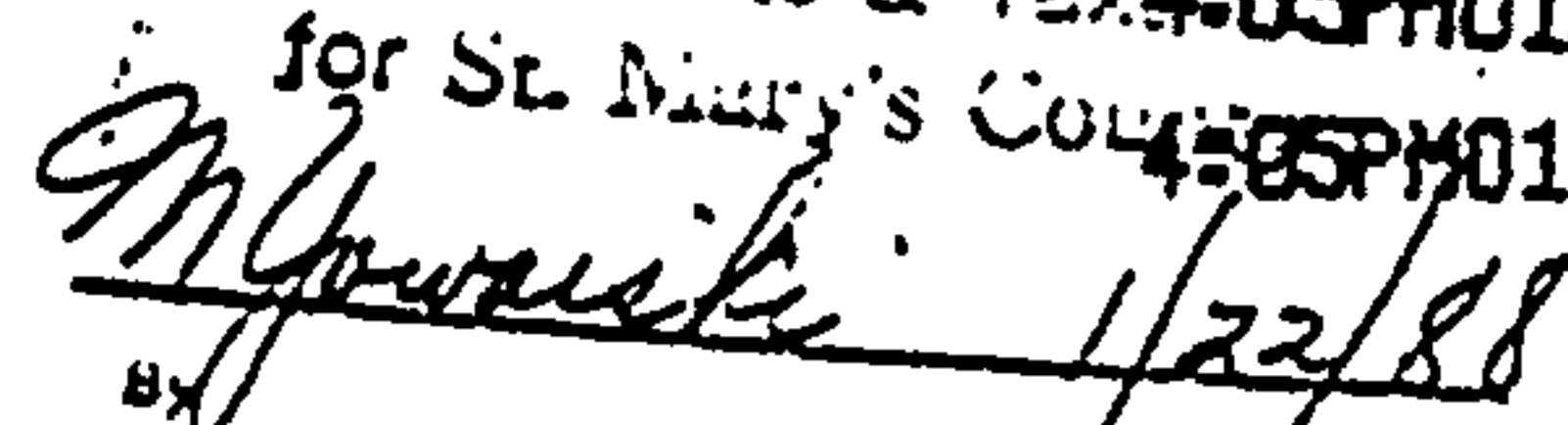
In consideration of the sum of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00), the said Seller does hereby grant and convey unto said Purchaser, and its successors and assigns, in fee simple (subject to matters of record), all that lot or parcel of ground situate, lying and being in St. Mary's County, State of Maryland, and described as follows, that is to say:

The property described on Exhibit A attached hereto and incorporated herein by reference.

Together with the buildings and improvements thereupon, erected, made or being; and all and every, the rights, alleys, ways, waters, privileges, appurtenances and advantages, to the same belonging, or anywise appertaining.

TO HAVE AND TO HOLD the said lot of ground and premises, above described and mentioned, and hereby intended to be conveyed; together with the rights, privileges, appurtenances and advantages thereto belonging or appertaining unto and to the proper use and benefit of the said Purchaser, its successors and assigns in fee simple. And the said Seller hereby covenants that it will warrant specially the property hereby granted and conveyed, and that it will execute such further assurance of said land as may be requisite.

200,35:20:October 27, 1987

RECEIVED FOR TRANSFER 4:05PM 01/22/88 DEED \$18.50
 State Department of
 Assessments & Tax 4:05PM 01/22/88 RECTAX \$1650.00
 for St. Mary's County 4:05PM 01/22/88 TR. TAX \$1250.00

 1/22/88

Witness the hands and seals of the duly authorized representatives of the said Seller.

SELLER:

FAIRMAY, INC.,
A Maryland Corporation

By: [Signature]
Edward J. Cook
President

ATTEST:

By: [Signature]
Print Name: FAYVIA DROSS
Title: Asst Secretary

[CORPORATE SEAL]

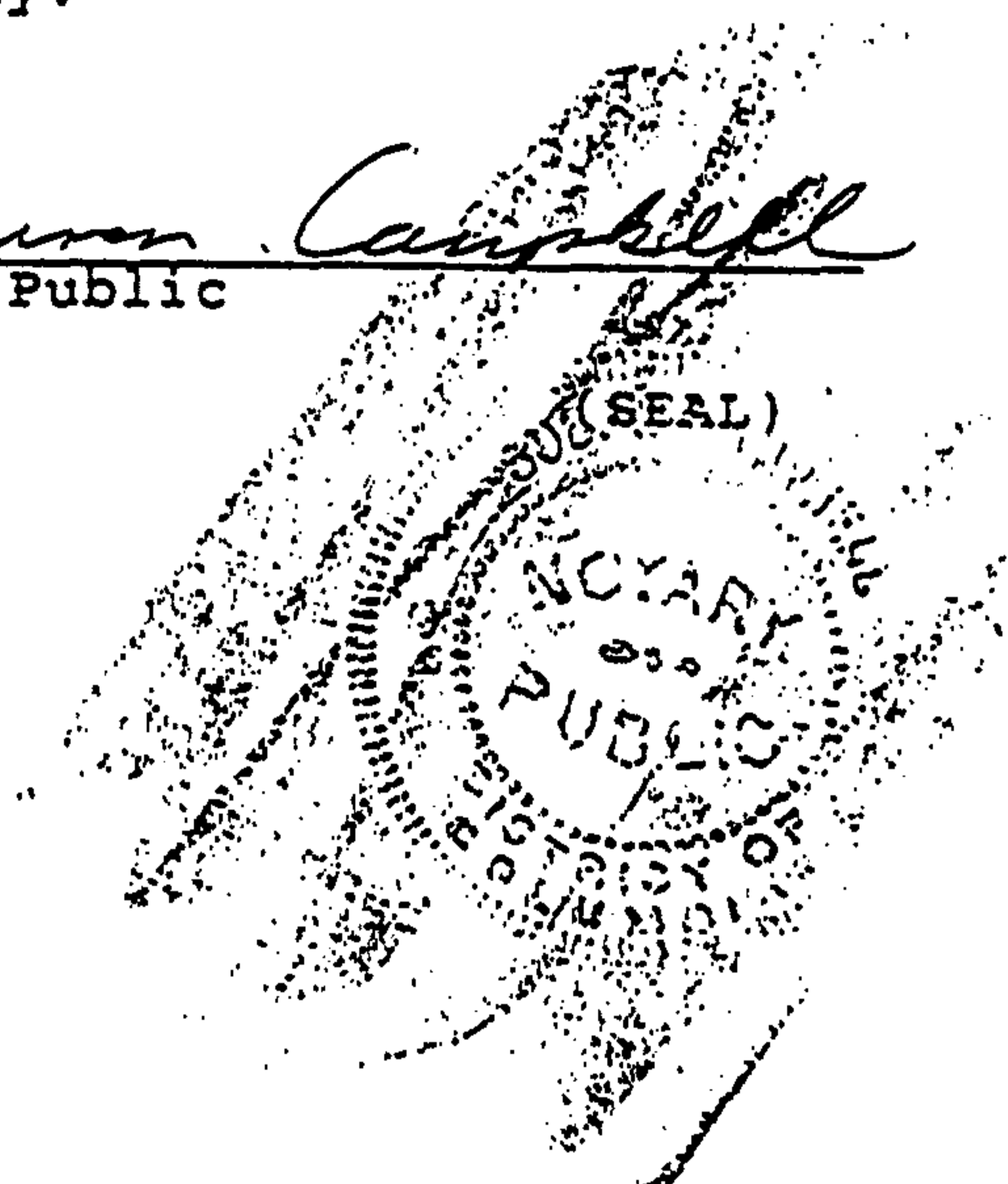
DISTRICT OF Columbia)
CITY/COUNTY OF) SS:

The foregoing instrument was acknowledged before me this 28th day of October, 1987 by Edward J. Cook, President of FAIRMAY, INC., on behalf of said entity.

[Signature]
Notary Public

My Commission Expires:

11/14/91



THIS IS TO CERTIFY THAT ALL TAXES ON THIS PROPERTY HAVE BEEN PAID TO AND INCLUDING THE LEVY FOR THE YEAR OF

1987 TAX ID # 08-01997-2

[Signature] Treasurer
St. Mary's County, Md.

200,35:20:October 27, 1987

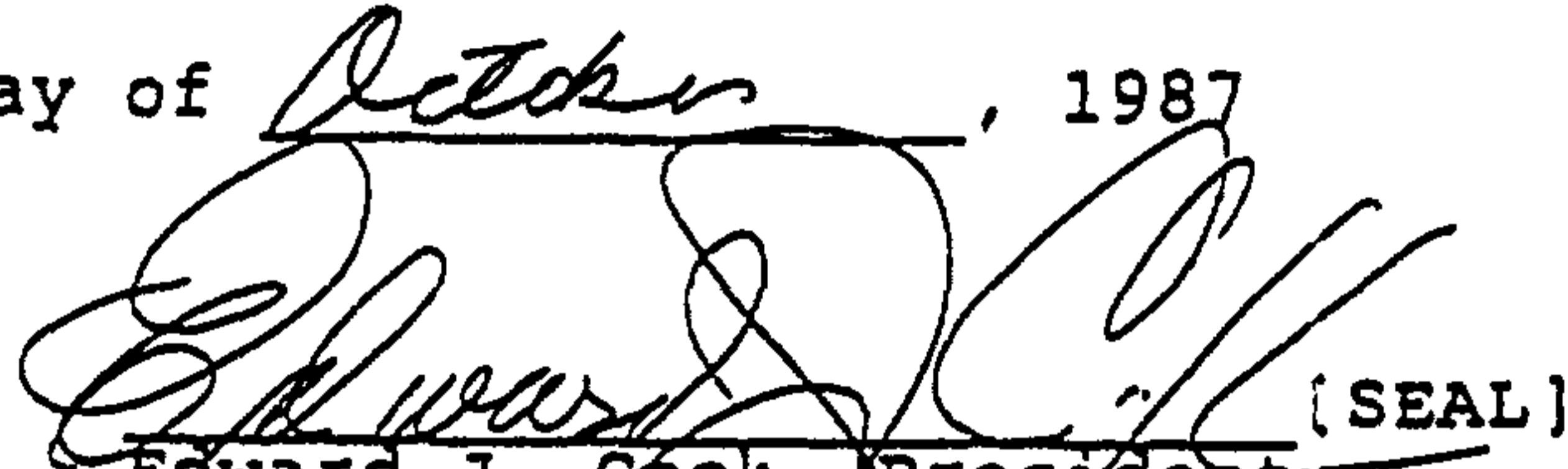
BOOK 0 PAGE 00 18

AFFIDAVIT

District OF Columbia)
CITY/COUNTY OF _____) TO WIT:

I, Edward J. Cook, President of the within named Seller, hereby certify, and swear or affirm, that the hereinabove recited consideration was received by such Seller at a time no later than the final and complete execution of this deed, and that the hereinabove recited conveyance is not part of a transaction in which there is a sale, lease, exchange or other transfer of all or substantially all of the property and assets of the Seller.

EXECUTED this 28th day of October, 1987

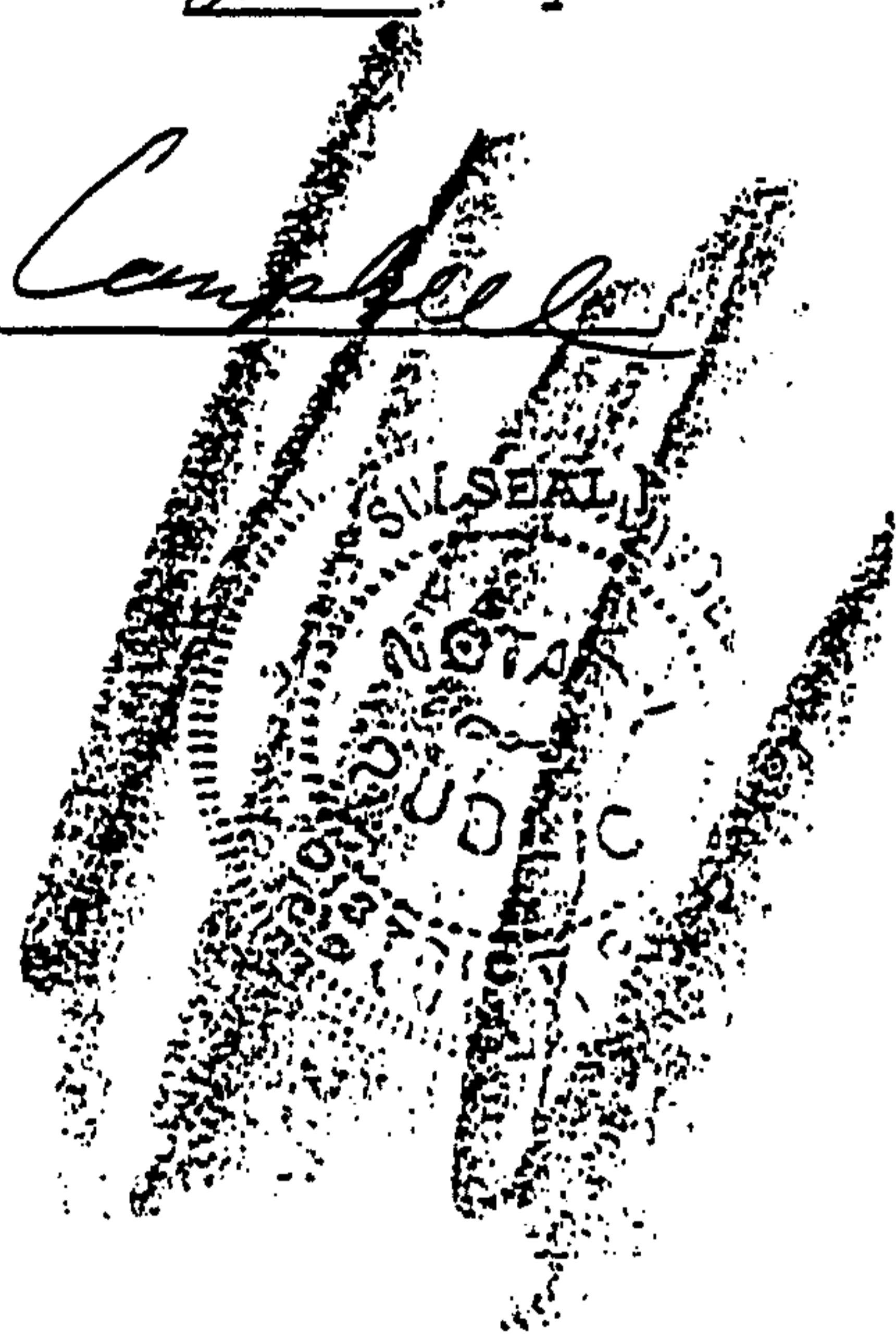

Edward J. Cook, President
of Fairmay, Inc. (SEAL)

Sworn to, or affirmed, and subscribed before me this 28th day of October, 1987.


Notary Public

Commission Data:

11/14/91



200,35:20:October 27, 1987

BOOK 0000 PAGE 0009

Parcel B

Description Of Property
Lot #1, "TOSCA Subdivision"
8th Election District
St. Mary's County, Maryland

BEGINNING FOR THE SAME at a point located on the Northerly side of the proposed Peggs Road, having a right-of-way width of 100 feet. Said point being further described as being the most Southeasterly corner of the herein described parcel of land and being a corner common to the property now or formerly S.M.P.I., Inc. Thence leaving said point of beginning and running with the Northerly right-of-way of the proposed Peggs Road the following three (3) courses and distances:

1. S 59°20'25" W, 251.00 feet to a point, thence
2. 979.53 feet along the arc of a curve to the right having a radius of 3507.69 feet to a point, thence
3. S 75°20'25" W, 266.24 feet to a point, thence running with the property now or formerly Winston Corp. Beneficial Trust, "TOSCA Subdivision", the following two (2) courses and distances:
 4. N 31°05'26" E, 326.35 feet to a point, thence
 5. N 62°45'45" E, 1189.84 feet to a point, thence running with the property now or formerly S.M.P.I., Inc.
6. S 30°39'35" E, 291.77 feet to the point of beginning and containing 8.79 Acres of land more or less as surveyed by Lorenzi, Dodds & Gunnill, Inc. and shown on a plat of survey dated October 23, 1987 and numbered 853009-1.* Subject to all easements and rights-of-way of record.

*Said plat recorded in Plat Book 28, Folio 58 among the Plat Records of St. Mary's County, Maryland.

CERTIFICATE OF CAMERA OPERATOR

metropolitan Commission

I hereby certify that the documents represented by the micrographics appearing on this roll of film designated as Reel No. 1190

were photographed by the undersigned on this date.

Reel begins with EWA-9 1-105

Reel ends with EWA-10 1-99

No. of Images 204

By *Permi*

Date 10/11/02

END

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 11th day of

April, 2002

, by and between the ST, MARY'S COUNTY

METROPOLITAN COMMISSION (hereinafter, the "Commission")

RECORDING FEE 0.00
TOTAL 0.00
Res#SMD: Rcr#999999
EMA KAE BIK#2283
Sep 25, 2002 10:50 am

Thomas Leonard, (hereinafter, the "Developer"),

Thomas Leonard, (hereinafter, the "Owner") and

Selective Insurance Co. of America, (hereinafter, the "Lender #1", Letter of Credit holder),

WITNESSETH

WHEREAS, the Commission is responsible for all water and sewerage projects in the **Eighth (8th)** Sanitary District of St. Mary's County, Maryland (the "County"); and,

WHEREAS, Owner is the owner in fee simple of all that lot, tract or parcel of land located in St. Mary's County, Maryland, subject to this Agreement, more particularly described at Exhibit **D**, attached hereto and incorporated herein, (hereinafter referred to as the "Property"); and,

WHEREAS, the Developer is developing the Property situated within said Sanitary District of St. Mary's County, Maryland, known and further described as **Locust Glen Subdivision**, hereinafter referred to as the "Project"; and,

WHEREAS, the Developer, either by requirement of St. Mary's County

or by choice, desires to construct certain central sewage facilities and/or central water facilities (the "Facilities"), to serve the Project; and,

WHEREAS, the Developer seeks the approval of the Commission for the construction of the Facilities; and,

WHEREAS, the Concept Plan for the development of the Project has been submitted to and approved by the Board of County Commissioner of St. Mary's County or their duly appointed agent; and,

WHEREAS, Developer has designed the Facilities in accordance with the St. Mary's County Standard Specifications for Water and Sewerage Construction, the Comprehensive Water and Sewerage Plans for St. Mary's County and any other rules, regulations, directives or special instructions issued by the Commission for the State of Maryland and the Federal Government; and,

WHEREAS, Developer has submitted a statement(s) included as Exhibit A and/or Exhibit B, attached hereto and incorporated herein, setting forth a proposed phasing for the construction of the Facilities and a proposed schedule of completion for said phase or phases, said statement having been approved by the Commission. The Developer has also submitted an itemized engineer's estimate which has been approved by the Commission.

WHEREAS, Developer has furnished a Performance and Payment bond or Irrevocable Letter of Credit which has been approved by the Commission, a copy of which appears at Exhibit C, payable to the Commission, its

successors and assigns, in an amount of \$ 17,791.00 conditioned that the Developer shall well and truly perform and fulfill the covenants, conditions and terms of this Agreement, and shall assure payment for all materials utilized and work performed, all of which shall remain in force until the expiration of the warranty period as set forth in Paragraph EIGHTH.

WHEREAS, Developer has conveyed unto the Commission any and all required interest in the real property subject to development of the Facilities within the Project, including necessary interest in fee, as well as easements, rights of entry and other rights of way, as required by the Commission, more particularly set forth in Exhibit N/A, hereinafter referred to as "Commission Property"; and,

WHEREAS, Lender #1 is the holder of a recorded security interest in the Property; and,

WHEREAS, Lender #2, if any, and Owner, if different from Developer, have joined in the execution of these presents to acknowledge the obligations of the Developer set forth herein;

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

FIRST: The Commission shall grant unto Developer a right of entry onto the Commission Property for the purpose of construction and maintenance of the Facilities, provided, however, that Developer hold the Commission harmless for and indemnifies the Commission against any and all losses or damages

incurred by the Commission during such time as Developer occupies such Commission Property, and further provided that Developer presents evidence of insurance coverage satisfactory to the Commission, including the naming the Commission as an additional insured, protecting all interests of the Commission.

SECOND: Developer shall construct all of the Facilities according to the schedule and in the phase or phases of construction as set forth herein, and in the case of multi-phased projects, no phase beyond the first shall be commenced until the Facilities under any of the previous phases have been approved and accepted by the Commission.

THIRD: Developer shall construct the Facilities in accordance with final plans and specifications, and amendments thereto, as approved by the Commission. In the event that final plans and specifications have not been approved at the time of execution of this Agreement, no work in connection with the construction of the Facilities shall be commenced prior to the approval by the Commission of such plans and specifications. Furthermore, within sixty (60) days after the construction of any phase of the Facilities is completed and approved, a completed set of "As-Built Mylar Drawings" shall be submitted to the Commission.

FOURTH: Developer shall maintain the Performance and Payment Bond or Letter of Credit provided in Exhibit C, for the period of construction of the Facilities, and for the period of the required warrantee as set forth herein.

FIFTH: Developer shall make available the Property to duly authorized representative of the Commission at all reasonable times for purposes of inspecting construction of the Facilities.

SIXTH: Developer shall pay the following fees and charges:

Inspection Charges: \$623.00 based upon 3.5% of the Performance and Payment Bond or Irrevocable Letter of Credit, payable upon execution of this Agreement. Said amount shall be placed in an account by the Commission and shall be drawn upon from time to time to reimburse the Commission for the direct and indirect cost of said Inspection service, and if said cost is less than the Inspection Charge initially collected, the remaining balance shall be returned to the Developer or, if the total Inspection cost is more than the Inspection Charge initially collected, the Developer shall pay to the Commission the difference.

Connection Charges: \$728.00 based upon \$91.00 per connection payable upon execution of this Agreement or at the time a connection permit is issued.

Debt Service Charge: \$165.92 per month based upon N/A per EDU per month, or \$2.04 per front foot per year based on 976 front feet, payment beginning at the time capacity allocation is made (Planning Commission approval or service is made available, whichever occurs first).

Sewer Service Charge: \$148.32 per month based upon **\$18.54** per month per EDU beginning when the service is utilized. This Service Charge reflects the currently approved rate and is subject to change.

Water Service Charge: \$80.16 per month based upon **\$10.02** per month per meter for service and N/A per month per meter for Ready-to-Serve charge, beginning when the service is utilized.

The meter will be read on a quarterly basis with an allowance of 18,000 gallons per quarter. **\$1.67**/1,000 gallons will be charged over the 18,000 gallon limit.

This Service Charge reflects the currently approved rate and is subject to change.

Water Supply Fees: \$250.00 per EDU for development without supply (wells) that utilize the public water system, payable as set forth below:

1. Payment in full at the time this Public Works Agreement is executed; or
2. Payment in full anytime between the date of this Agreement and up to 365 days thereafter with a deferment charge of 10% per annum pro rated per diem to the date of payment. Payment date not to exceed 365 days after date of execution of this agreement. *

Water Storage Fees: \$450.00 per EDU for

developments without storage facilities that utilize the public water system,
payable as set forth below:

- 1. Payment in full at the time this Public Works Agreement is executed; or
- 2. Payment in full anytime between the date of this Agreement and up to 365 days thereafter with a deferment charge of 10% per annum pro rated per diem to the date of payment. Payment date not to exceed 365 days after date of execution of this Agreement. . *

Treatment Capacity Charge: _____\$500.00_____ per EDU for the allocation of capacity at the Pine Hill Run Waste Water Treatment Plant, payable as set forth below:

- 1. Payment in full at the time this Public Works Agreement is executed; or
- 2. Payment in full anytime between the date of this Agreement and up to 365 days thereafter with a deferment charge of 10% per annum pro rated per diem to the date of payment. Payment date not to exceed 365 days after date of execution of this Agreement. *

* If this option is selected, a bond in the amount of 110% of the amount due (\$10,560.00) will be required.

SEVENTH: No premises within the Project to be connected to the Facilities shall be occupied or used for any purpose whatsoever prior to the Facilities being accepted by the Commission without the express written prior approval of the Commission.

EIGHTH: Developer shall warrantee all mechanical, electrical and control Facilities for a period of twelve (12) months and all earthwork and associated underground construction for a period of eighteen (18) months after approval and acceptance by the Commission. The warranties shall cover the cost of labor, equipment and materials necessary to correct any problems with the Facilities.

NINTH: The Parties hereto expressly acknowledge that the following shall constitute events of Default of this Agreement:

1. Failure of Developer to construct the Facilities according to the schedule and in the phase or phases as set forth herein.
2. Failure of Developer to construct the Facilities in accordance with the approved plans and specifications approved by the Commission, as set forth herein.
3. Failure of Developer to provide a complete set of "Mylar Drawings" pursuant to ¶ **THIRD** above.
4. Failure of Developer to maintain the required bond for the period of construction and warranty of the Facilities.

5. Failure of Developer to prosecute work according to standard specifications.

6. Failure of Developer to respond to requests to honor warranties within a reasonable time schedule, such schedule to be established by the Commission.

7. Failure of Developer to perform any of the terms and conditions of this Agreement.

TENTH: The parties hereto acknowledge and agree that in an event of Default the Commission may take any or all of the following actions:

1. Notify Developer to Stop Work.
2. Demand that Developer vacate Commission Property.
3. Notify Developer of intention to call bond.

The Commission may, in its sole discretion and for the benefit of the project, give Developer a reasonable period to cure an event of Default. Failure of Developer to cure Default during such cure period shall constitute an event of continuing Default, with all remedies available to the Commission. Forbearance by the Commission shall not constitute a waiver of its rights to declare subsequent default.

ELEVENTH: Upon completion and acceptance by the Commission of the facilities as set forth in paragraph SECOND above, the Developer when requested to do so by the Commission, agrees to convey all of the facilities with

the appropriate sites, easements, and rights-of-way to the Commission for the nominal sum of One Dollar (\$1.00) and to provide all documentation and assurances of title as are requested by the Commission in connection with said proposed conveyances.

TWELFTH: This Agreement shall be binding upon and inure to the benefit of the heirs, successors, personal representatives and assigns of the parties hereto.

WITNESS THE HANDS AND SEALS OF THE PARTIES HERETO THE DAY AND YEAR FIRST ABOVE WRITTEN:

WITNESS the hands and seals of the parties hereto, this 11th day of April 19²⁰⁰². ATTEST: ST. MARY'S COUNTY METROPOLITAN COMMISSION

Lillian G. Bryan


Secretary

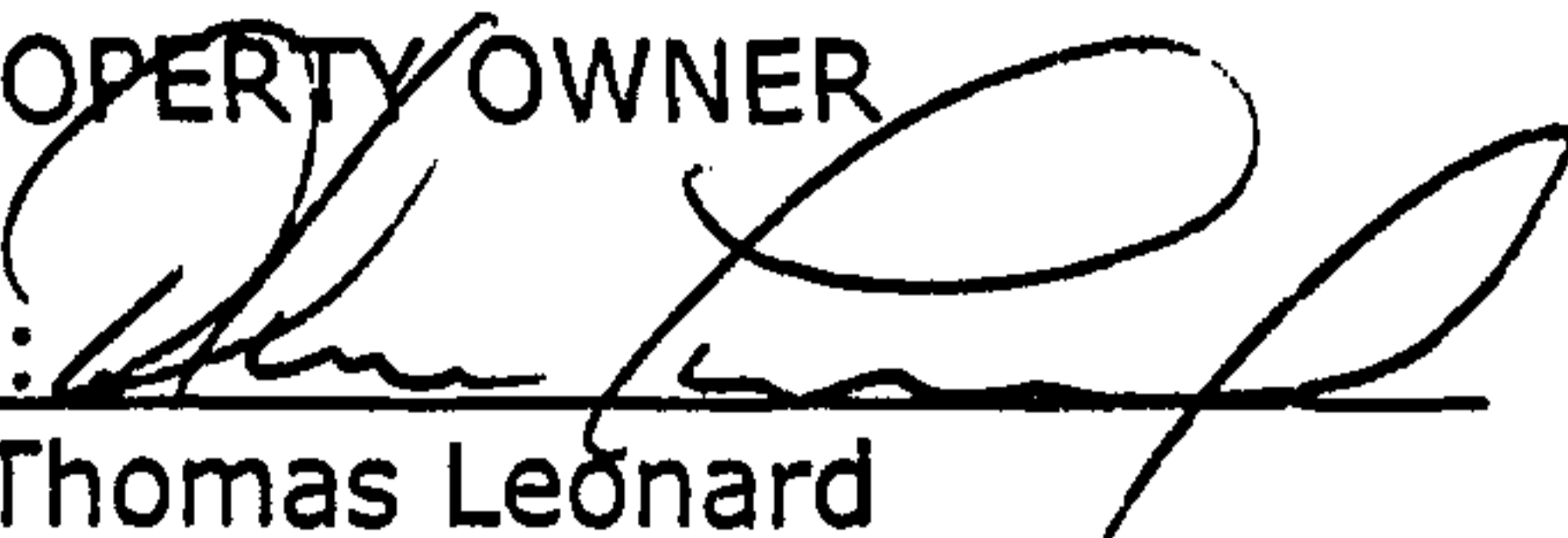
ATTEST:

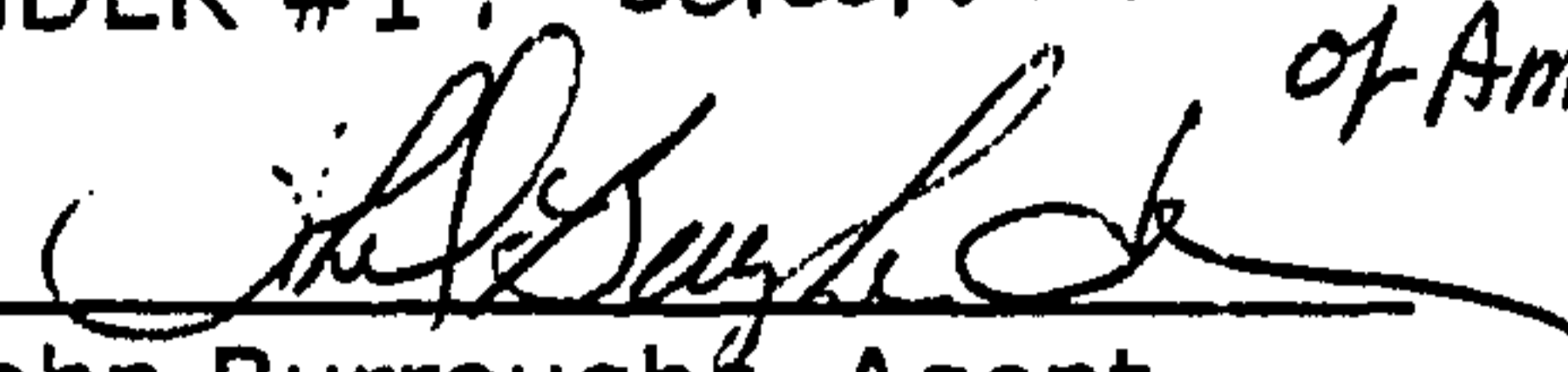
By: *Brian Barthelme*

Brian Barthelme
Chairman

DEVELOPER ;

By: 
Thomas Leonard

PROPERTY OWNER
By: 
Thomas Leonard

LENDER #1 : Selective Insurance Co.
of America
By: 
John Burroughs, Agent

EXHIBITS: _____

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 11th day of April ~~19~~ 2002

before me a Notary Public in and for the County of St. Mary's aforesaid personally appeared Bryan M. Barthelme Chairman of the St. Mary's County Metropolitan Commission, and on behalf of said Commission did acknowledge the foregoing instrument to be the act and deed of the St. Mary's County Metropolitan Commission.

WITNESS my hand and Notarial Seal

Li Bryan Notary Public

My Commission Expires: 2/1/2004

(DEVELOPER)STATE OF

Maryland

COUNTY OF

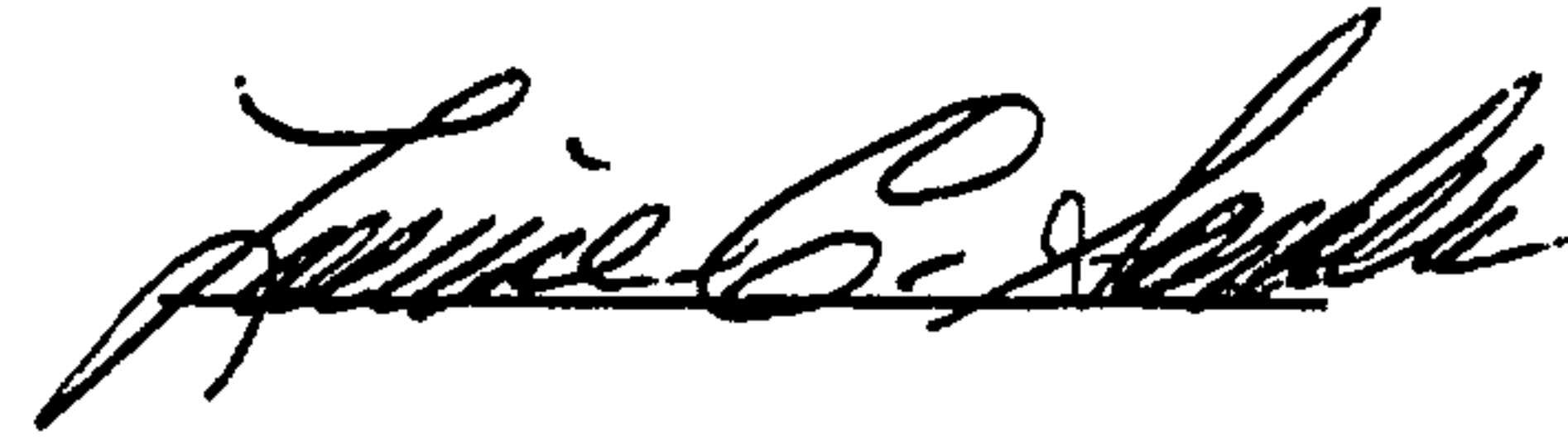
Charles

to wit:

I HEREBY CERTIFY that on this 26th day of February ~~19~~ 2002

before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Thomas T. Toward and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.



Notary

Public

My Commission Expires: 9-1-03

(OWNER) STATE OF Maryland
COUNTY OF Charles to wit:

I HEREBY CERTIFY that on this 21st day of July, 19 2002 before me,
the subscriber, a Notary Public in the county aforesaid, personally appeared
Thomas R. Smith and that he/she/they acknowledged the foregoing Public
Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

James C. Smith Notary Public

My Commission Expires: 9-1-02

(LENDER #1)

STATE OF Maryland
COUNTY OF Charles to wit:

I HEREBY CERTIFY that on this 21st day of July, 19 2002 before me,
the subscriber, a Notary Public in the county aforesaid, personally appeared
John R. Smith and that he/she/they acknowledged the execution of the
foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

James C. Smith Notary Public

My Commission Expires: 9-02

(LENDER #2)

STATE OF _____

COUNTY OF _____ to wit:

I HEREBY CERTIFY that on this ____ day of _____, 19 __ before me, the subscriber, a Notary Public in the county aforesaid, personally appeared _____ and that he/she/they acknowledged the execution of the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires: _____

EXHIBIT A
STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Locust Glen

TOTAL # OF PHASES: One

DEVELOPER: Thomas Leonard

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 8

PROJECTED CONSTRUCTION START DATE: 08/15/00

PROJECTED CONSTRUCTION COMPLETION DATE: 10/30/00

FACILITIES TO BE CONSTRUCTED*: Water distribution system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on 03/23/00.

COMMISSION PARTICIPATION: NONE

*The facilities listed also include FOR WATER PUMPING STATION: Wells, pumps, controls, generators, chlorinators, compressors, meters, valves, interior and exterior piping and appurtenances, together will all sites on which they are

situated and 20' access to the same; FOR WATER STORAGE TANKS: Elevated storage tanks, standpipes, ground storage tanks, hydropneumatic tanks and surge tanks as required by the Commission, together with all sites on which they are situated and 20' access to the same: FOR DISTRIBUTION SYSTEMS: Mains, fire hydrants, valves and valve boxes, fittings, blow offs, water house connections, water house service lines, curb stops, curb stop boxes, water meter settings and appurtenances, together with 20' permanent easements over the same for maintenance and modifications of and connection to these facilities; along with any and all other facilities or appurtenances which in any way could be construed as part of the water system.

Commission: BR

Developer: (Initials)
(Initials)

EXHIBIT B
STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: Locust Glen
TOTAL # OF PHASES: One
DEVELOPER: Thomas Leonard

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 8

PROJECTED CONSTRUCTION START DATE: 08/15/00

PROJECTED CONSTRUCTION COMPLETION DATE: 10/30/00

FACILITIES TO BE CONSTRUCTED*: Sewerage collection system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on 03/23/00.

COMMISSION PARTICIPATION: NONE

*The facilities also include for WASTEWATER PUMPING STATIONS: pumps, wet

wells, generators, compressors, meters, valves, interior and exterior piping and appurtenances, together with all sites on which they are situated and 20' access to the same. FOR WASTEWATER TREATMENT PLANTS: Storage lagoons, physical plants influent and effluent lines, lift stations, generators, together with all sites on which they are situated and 20' access to the same; FOR COLLECTION SYSTEMS: Collector and lateral sewers, force mains, sewer house service lines, air release valves, together with 20' permanent easements over the same for maintenance and modifications of connection to these facilities, along with any and all other facilities or appurtenances which in any way could be construed as part of the sewerage system.

Commission: BB

(Initials)

Developer: JP

(Initials)

Edward L. Sanders Insurance Agency, Inc.
Quality Insurance Service Since 1903



February 22, 2002

To Whom It May Concern:

FROM: Deanna F. Joswiak,
Attorney-In-Fact -

Deanna F. Joswiak
Selective Insurance Co.

RE: Leonard Construction - Bond #B833928

The above captioned bond, payable to St. Mary's County Metropolitan Commission in the amount of \$17,791.00 for the installation of public water and sewer for Locust Glen Subdivision, St. Mary's County, Md. is a continuous bond. This Performance Bond will be in effect until such time as the job has been completed and the County releases the Bond.

Post Office Box 2828
10 Washington Avenue
La Plata, Maryland 20646-2828
(301) 934-9521 • (301) 870-3233 • (301) 884-4342

205 West Dares Beach Rd.
Prince Frederick, Maryland 20678
(410) 535-2512 • (301) 855-9073

SELECTIVE INSURANCE COMPANY OF AMERICA

PERFORMANCE BOND

Bond No. B833927

KNOW ALL MEN BY THESE PRESENTS, that Thomas L. Leonard, P. O. Box 245, California, Md. 20619 as Principal and SELECTIVE INSURANCE COMPANY OF AMERICA, Branchville, N. J. 07890, as Surety, are held and firmly bound unto the St. Mary's County Metropolitan Commission, 43990 Commerce Avenue, Hollywood, Md. 20636 in the penal sum of Seventeen Thousand, Seven Hundred Ninety One Dollars (\$17,791.00) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Sealed with our seals and dated this 6th day of November, 2000.

THE CONDITIONS OF THE ABOVE OBLIGATION ARE SUCH, that wherein the above bounden Thomas L. Leonard has entered into an Agreement with the St. Mary's County Metropolitan Commission for the installation of public water and sewer for Locust Glen Subdivision, St. Mary's County, Md.

NOW, THEREFORE, if said Thomas L. Leonard shall well and truly indemnify, keep and save harmless St. Mary's County Metropolitan Commission and pay for damage sustained on account of his failure to perform work in accordance with the provisions of said Agreement, then this obligation shall be null and void; otherwise to remain in full force and effect.

WITNESS

[Handwritten Signature]

THOMAS L. LEONARD

[Handwritten Signature]

WITNESS

[Handwritten Signature]

SELECTIVE INS. CO. OF AMERICA

By: [Handwritten Signature]
Deanna F. Joswiak, Attorney-In-Fact

Exhibit D

As shown on a Record Plat entitled:

Standard Subdivision Plat, Lots 1 through 8,
Locust Glen Court & Locust Glen Lane

Locust Glen Subdivision

Eighth Election District
St. Mary's County, Maryland

as prepared by:
Day & Associates, Inc.

and signed by :
Steven L. King, Director
On April 3, 2002

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 5th day of November 2001, by and between the ST. MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"),

Marrick Properties, Inc., (hereinafter, the "Developer"),

The Villages of Leonardtown, LLC, (hereinafter, the "Owner") and

Mercantile Mortgage Co., (hereinafter, the "Lender #1"),

, (hereinafter, the "Lender #2", Letter of Credit holder),

RECORDING FEE 0.00
 TOTAL 0.00
 Res#SM03 Rcpt#999999
 EWA CSS Bk#1134
 Sep 26, 2002 12:39 PM

WITNESSETH

WHEREAS, the Commission is responsible for all water and sewerage projects in the Third (3rd) Sanitary District of St. Mary's County, Maryland (the "County"); and,

WHEREAS, Owner is the owner in fee simple of all that lot, tract or parcel of land located in St. Mary's County, Maryland, subject to this Agreement, more particularly described at Exhibit D, attached hereto and incorporated herein, (hereinafter referred to as the "Property"); and,

WHEREAS, the Developer is developing the Property situated within said Sanitary District of St. Mary's County, Maryland, known and further described as Villages of Leonardtown, hereinafter referred to as the "Project"; and,

WHEREAS, the Developer, either by requirement of St. Mary's County or by choice, desires to construct certain central sewage facilities and/or central water facilities (the "Facilities"), to serve the Project; and,

WHEREAS, the Developer seeks the approval of the Commission for the construction of the Facilities; and,

WHEREAS, the Concept Plan for the development of the Project has been submitted to and approved by the Board of County Commissioner of St. Mary's County or their duly appointed agent; and,

WHEREAS, Developer has designed the Facilities in accordance with the St. Mary's County Standard Specifications for Water and Sewerage Construction, the Comprehensive Water and Sewerage Plans for St. Mary's County and any other rules, regulations, directives or special instructions issued by the Commission for the State of Maryland and the Federal Government; and,

WHEREAS, Developer has submitted a statement(s) included as Exhibit **A** _____ and/or Exhibit **B**, attached hereto and incorporated herein, setting forth a proposed phasing for the construction of the Facilities and a proposed schedule of completion for said phase or phases, said statement having been approved by the Commission. The Developer has also submitted an itemized engineer's estimate which has been approved by the Commission.

WHEREAS, Developer has furnished a Performance and Payment bond or Irrevocable Letter of Credit which has been approved by the Commission, a

copy of which appears at Exhibit **C** _____, payable to the Commission, its successors and assigns, in an amount of \$ 686,208.00 conditioned that the Developer shall well and truly perform and fulfill the covenants, conditions and terms of this Agreement, and shall assure payment for all materials utilized and work performed, all of which shall remain in force until the expiration of the warranty period as set forth in Paragraph EIGHTH.

WHEREAS, Developer has conveyed unto the Commission any and all required interest in the real property subject to development of the Facilities within the Project, including necessary interest in fee, as well as easements, rights of entry and other rights of way, as required by the Commission, more particularly set forth in Exhibit **E** _____, hereinafter referred to as "Commission Property"; and,

WHEREAS, Lender #1 is the holder of a recorded security interest in the Property; and,

WHEREAS, Lender #2, if any, and Owner, if different from Developer, have joined in the execution of these presents to acknowledge the obligations of the Developer set forth herein;

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

FIRST: The Commission shall grant unto Developer a right of entry onto the Commission Property for the purpose of construction and maintenance of the Facilities, provided, however, that Developer hold the Commission harmless

for and indemnifies the Commission against any and all losses or damages incurred by the Commission during such time as Developer occupies such Commission Property, and further provided that Developer presents evidence of insurance coverage satisfactory to the Commission, including the naming the Commission as an additional insured, protecting all interests of the Commission.

SECOND: Developer shall construct all of the Facilities according to the schedule and in the phase or phases of construction as set forth herein, and in the case of multi-phased projects, no phase beyond the first shall be commenced until the Facilities under any of the previous phases have been approved and accepted by the Commission.

THIRD: Developer shall construct the Facilities in accordance with final plans and specifications, and amendments thereto, as approved by the Commission. In the event that final plans and specifications have not been approved at the time of execution of this Agreement, no work in connection with the construction of the Facilities shall be commenced prior to the approval by the Commission of such plans and specifications. Furthermore, within sixty (60) days after the construction of any phase of the Facilities is completed and approved, a completed set of "As-Built Mylar Drawings" shall be submitted to the Commission.

FOURTH: Developer shall maintain the Performance and Payment Bond or Letter of Credit provided in Exhibit C, for the period of construction of the

Facilities, and for the period of the required warrantee as set forth herein.

FIFTH: Developer shall make available the Property to duly authorized representative of the Commission at all reasonable times for purposes of inspecting construction of the Facilities.

SIXTH: Developer shall pay the following fees and charges:

Review Fees: \$6,375.00 based upon \$75.00 per residential lot, or EDU and N/A per commercial lot or EDU, payable upon execution of this Agreement. This Charge reflects the currently approved rate and is subject to change.

Inspection Charges: \$19,060.00 based upon 3.5% of the Performance and Payment Bond or Irrevocable Letter of Credit, payable upon execution of this Agreement. Said amount shall be placed in an account by the Commission and shall be drawn upon from time to time to reimburse the Commission for the direct and indirect cost of said Inspection service, and if said cost is less than the Inspection Charge initially collected, the remaining balance shall be returned to the Developer or, if the total Inspection cost is more than the Inspection Charge initially collected, the Developer shall pay to the Commission the difference. This Charge reflects the currently approved rate and is subject to change.

Connection Charges: \$3,568.50 based upon \$91.50 per connection payable upon execution of this Agreement or at the time

a connection permit is issued. This Charge reflects the currently approved rate and is subject to change.

Sewer Benefit Assessment Charge: \$487.90 per month based upon **\$5.74** per EDU per month, or N/A per front foot per year based on N/A front feet, payment beginning at the time capacity allocation is made (Planning Commission approval or service is made available, whichever occurs first). This Charge reflects the currently approved rate and is subject to change.

Sewer Service Charge: \$723.06 per month based upon **\$18.54** per month per EDU beginning when the service is utilized. This Service Charge reflects the currently approved rate and is subject to change.

Water Service Charge: \$390.78 per month based upon

\$10.02 per month per meter for service and N/A per month per meter for Ready-to-Serve charge, beginning when the service is utilized.

The meter will be read on a quarterly basis with an allowance of 18,000 gallons per quarter. **\$1.67**/1,000 gallons will be charged over the 18,000 gallon limit.

This Service Charge reflects the currently approved rate and is subject to change.

SEVENTH: No premises within the Project to be connected to the Facilities shall be occupied or used for any purpose whatsoever prior to the

Facilities being accepted by the Commission without the express written prior approval of the Commission.

EIGHTH: Developer shall warrantee all mechanical, electrical and control Facilities for a period of twelve (12) months and all earthwork and associated underground construction for a period of eighteen (18) months after approval and acceptance by the Commission. The warranties shall cover the cost of labor, equipment and materials necessary to correct any problems with the Facilities.

NINTH: The Parties hereto expressly acknowledge that the following shall constitute events of Default of this Agreement:

1. Failure of Developer to construct the Facilities according to the schedule and in the phase or phases as set forth herein.
2. Failure of Developer to construct the Facilities in accordance with the approved plans and specifications approved by the Commission, as set forth herein.
3. Failure of Developer to provide a complete set of "Mylar Drawings" pursuant to ¶ **THIRD** above.
4. Failure of Developer to maintain the required bond for the period of construction and warranty of the Facilities.
5. Failure of Developer to prosecute work according to standard specifications.

6. Failure of Developer to respond to requests to honor warranties within a reasonable time schedule, such schedule to be established by the Commission.

7. Failure of Developer to perform any of the terms and conditions of this Agreement.

TENTH: The parties hereto acknowledge and agree that in an event of Default the Commission may take any or all of the following actions:

1. Notify Developer to Stop Work.
2. Demand that Developer vacate Commission Property.
3. Notify Developer of intention to call bond.

The Commission may, in its sole discretion and for the benefit of the project, give Developer a reasonable period to cure an event of Default. Failure of Developer to cure Default during such cure period shall constitute an event of continuing Default, with all remedies available to the Commission. Forbearance by the Commission shall not constitute a waiver of its rights to declare subsequent default.

ELEVENTH: Upon completion and acceptance by the Commission of the facilities as set forth in paragraph SECOND above, the Developer when requested to do so by the Commission, agrees to convey all of the facilities with the appropriate sites, easements, and rights-of-way to the Commission for the nominal sum of One Dollar (\$1.00) and to provide all documentation and

assurances of title as are requested by the Commission in connection with said proposed conveyances.

TWELFTH: This Agreement shall be binding upon and inure to the benefit of the heirs, successors, personal representatives and assigns of the parties hereto.

WITNESS THE HANDS AND SEALS OF THE PARTIES HERETO THE DAY AND YEAR FIRST ABOVE WRITTEN:

WITNESS the hands and seals of the parties hereto, this 5th day of November 2001 .ATTEST: METROPOLITAN ST. MARY'S COUNTY COMMISSION

L. Bryan

Secretary

ATTEST:

C. R. Bailey, Jr.

Marvin E. Oursler
Marvin E. Oursler

By: *Bryan M. Barthelme*

Bryan M. Barthelme,
Chairman

DEVELOPER - MARRICK PROPERTIES, INC.

By: *Marvin E. Oursler*

Marvin E. Oursler, President *

PROPERTY OWNER - The Villages of Leonardtown, LLC

By: *C. R. Bailey, Jr.*

C. R. Bailey, Jr., Managing Member *

LENDER #1

Mercantile Mortgage ^{Corporation} Company

Meredith Jones

By: J.E. Spader, Jr.
V.P.

LENDER #2

By: _____

EXHIBITS: _____

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 14th day of February 2002

before me a Notary Public in and for the County of St. Mary's aforesaid personally appeared Bryan M. Barthelme

Chairman of the St. Mary's County Metropolitan Commission, and on behalf of said Commission did acknowledge the foregoing instrument to be the act and deed of the St. Mary's County Metropolitan Commission.

WITNESS my hand and Notarial Seal Lillian G. Bryan Notary Public

My Commission Expires: 02/01/04.

(DEVELOPER)STATE OF MARYLAND

COUNTY OF CHARLES to wit:

I HEREBY CERTIFY that on this 5th day of November, 2001

before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Marvin E. Oursler, President of and that he/she/they Marrick Properties, Inc. acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Norma Lee Perry

Notary

Public

My Commission Expires: 5/1/02

(OWNER)STATE OF MARYLAND

COUNTY OF Charles to wit:

I HEREBY CERTIFY that on this 5th day of Nov., 2001 before me,

the subscriber, a Notary Public in the county aforesaid, personally appeared

C.R. Bailey, Jr. and that he/she/they acknowledged the foregoing Public
Managing Member of The Villages of Leonardtown, LLC

Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Norma Lu Perry Notary Public

My Commission Expires: 5/1/02

(LENDER #1)

STATE OF VIRGINIA

COUNTY OF FAIRFAX to wit:

I HEREBY CERTIFY that on this 17th day of JANUARY, 2002 before me,

the subscriber, a Notary Public in the county aforesaid, personally appeared

J.E. SPEDDEN, JR and that he/she/they acknowledged the execution of the

foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Meredith Jung Notary Public
My Commission Expires 11/30/02