

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 24 day of September 1999, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"), Southgate Partners, L.L.C., (hereinafter, the "Developer"), Southgate Partners, L.L.C., (hereinafter, the "Owner") and Eagle Bank, (hereinafter, the "Lender #1", Letter of Credit holder),

RECORDING FEE 0.00
 TOTAL 0.00
 Res#SM03 Rcpt#999999
 EWA CSS Bk#1128
 Sep 26, 2002 11:10 am

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 Southwoods PUD (77 single family homes), 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 \$ 416,059.00 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:

Inspection Charges: \$14,562.00 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: \$6,776.00 based upon \$88.00
 _____ per connection payable upon execution of this Agreement or at the time a connection permit is issued.

Debt Service Charge: \$1,394.00 per month based upon N/A per EDU per month, or \$2.04 per front foot per year based on 8200 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: \$1,205.05 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: \$771.54 per month based upon \$10.02 per month per meter for service and _____ 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 (\$101,640.00) 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 November 1999

ATTEST:

ST.MARY'S COUNTY METROPOLITAN COMMISSION

Lillian J. Bryan

Secretary

By: Floyd B. Derby

Floyd B. Derby
Chairman

ATTEST:

DEVELOPER: Southgate Partners LLC

JDR

By: Stephen J. Garchik
Stephen J. Garchik, Manager

PROPERTY OWNER: Southgate Partners LLC

By: Stephen J. Garchik
Stephen J. Garchik, Manager

Joseph Paulski

LENDER #1: Eagle Bank
By: Richard Bernardi
~~Richard Bernardi, Vice President~~
MARTHA FOULON-TONAT
CHIEF LENDING OFFICER

EXHIBITS: _____

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 18th day of November 1999

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. Bryan Notary Public

My Commission Expires: 02/01/00.

(DEVELOPER)STATE OF

Virginia

COUNTY OF

Fairfax

to wit:

I HEREBY CERTIFY that on this 24 day of September, 1999 before me,

the subscriber, a Notary Public in the county aforesaid, personally appeared Stephen J.

Garchik and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Paul J. Mulo Notary Public

My Commission Expires: 11/30/02

(OWNER)STATE OF Virginia
COUNTY OF Fairfax to wit:

I HEREBY CERTIFY that on this 24 day of September, 19 99 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Stephen J. Garchik and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

[Signature] Notary Public

My Commission Expires: 11/30/02

(LENDER #1)
STATE OF Maryland
COUNTY OF Montgomery to wit:

I HEREBY CERTIFY that on this 30th day of September, 19 99 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Martha Faulon-Tonnet 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.

[Signature] Notary Public

JOAN YS PAWLOSKI
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires June 2, 2003

My Commission Expires: _____

EXHIBIT A

STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Southwoods P.U.D. (77 single family)
TOTAL # OF PHASES: ONE
DEVELOPER: Southgate Partners, L.L.C.

PLAT REF: _____ # LOTS TO BE SERVED: 77

PROJECTED CONSTRUCTION START DATE: 09/30/99

PROJECTED CONSTRUCTION COMPLETION DATE: 03/01/02

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 17 July, 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: Southwoods P.U.D. (77 single family)

TOTAL # OF PHASES: ONE

DEVELOPER: Southgate Partners, L.L.C.

PLAT REF: _____ # LOTS TO BE SERVED: 77

PROJECTED CONSTRUCTION START DATE: 09/30/00

PROJECTED CONSTRUCTION COMPLETION DATE: 03/01/02

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 17 July, 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

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 15 day of July 1998, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"),

Quality Built Homes, Inc. (hereinafter, the "Developer"),

Quality Built Homes, Inc. (hereinafter, the "Owner") and

Maryland Bank and Trust (hereinafter, the "Lender #1"),

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

RECORDING FEE 0.00
TOTAL 0.00
Rest#SHE2 Rcpt#999999
EMA CSS BIK#2739
Sep 30, 2002 12:34 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 C, 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 Victoria's Grant (formerly Known as Buck Park East Subdivision), Section Three, 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 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 D _____, payable to the Commission, its successors and assigns, in an amount of \$ 190,954.50 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, 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 D, 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: \$6,683.40 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: \$3,344.00 based upon \$88.00 per connection payable upon execution of this Agreement or at the time a connection permit is issued.

Debt Service Charge: \$476.71 per month based upon \$1.70 per front foot per year based on 3365 front feet, payment beginning at the time capacity

Sewer Service Charge: \$497.04 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: \$387.60 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 (\$29,260.00) 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 15 day of July 1998

.ATTEST:

ST.MARY'S COUNTY METROPOLITAN
COMMISSION

[Signature]

Secretary

[Signature]

Floyd E. Derby
Chairman

ATTEST:

[Signature]

DEVELOPER Quality Built Homes, Inc

By: *[Signature]*
Rodney N. Gertz, V.P.

PROPERTY OWNER

By: *[Signature]*
Rodney N. Gertz, V.P.

Kristina M Bates

LENDER #1 Maryland Bank and Trust

By: *[Signature]*
Marshall S. Gibson, Asst. V.P.

Cynthia K. Burnett

LENDER #2 International Fidelity
Insurance Company

By: *[Signature]*
~~XXXXXXXXXX~~ Nancy Nizro
Attorney-in-Fact

EXHIBITS: _____

(COMMISSION) STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 15th day of July 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

Louisa J. Bryan

Notary Public

My Commission Expires 02/01/00

(DEVELOPER) STATE OF

Maryland

COUNTY OF

Calvert

to wit:

I HEREBY CERTIFY that on this 26 day of May, 19 98 before me,

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

Rodney N. Gertz and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act. WITNESS my hand and Notarial Seal.

Mary J. Dixon

Notary Public

My Commission Expires: 7-16-2000

(OWNER) STATE OF

Maryland

COUNTY OF

Calvert

to wit:

I HEREBY CERTIFY that on this 26 day of May, 1998 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Rayney N. Yertz and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Mary F. Dixon

Notary Public

My Commission Expires: 7-16-2000

(LENDER #1) STATE OF

Maryland

COUNTY OF

St. Mary's

to wit:

I HEREBY CERTIFY that on this ____ day of May, 1998 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Marshall Hinson 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.

Gynthia D. Howell

Notary Public

My Commission Expires: Feb. 6, 2002

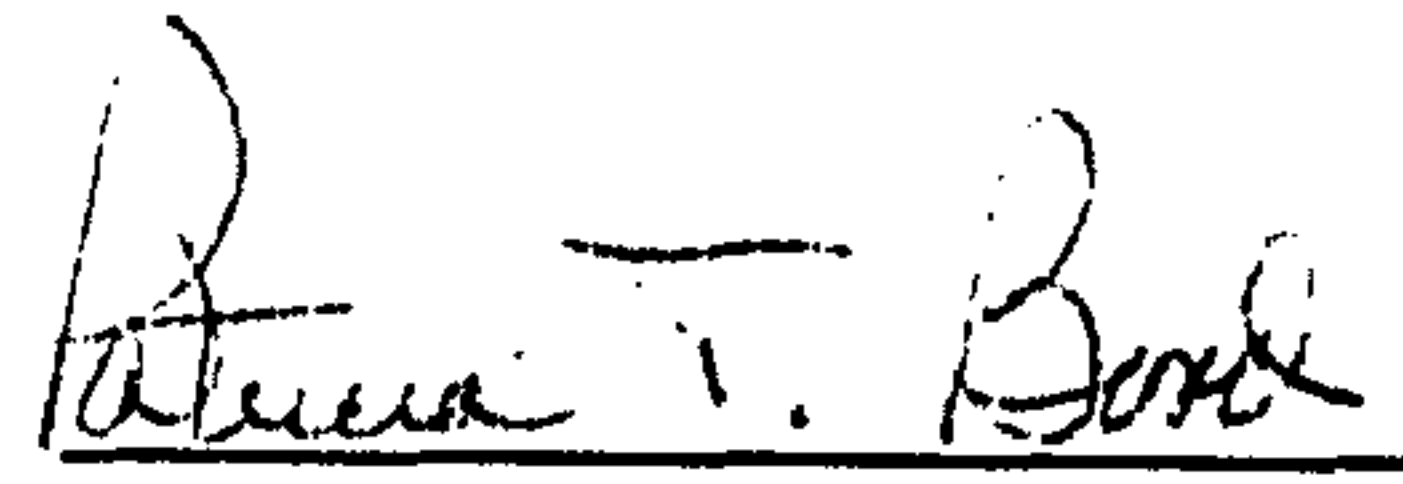
(LENDER #2)

STATE OF Pennsylvania

COUNTY OF Chester to wit:

I HEREBY CERTIFY that on this 19th day of June, 19 98 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Nancy Nigro 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: 3/8/01

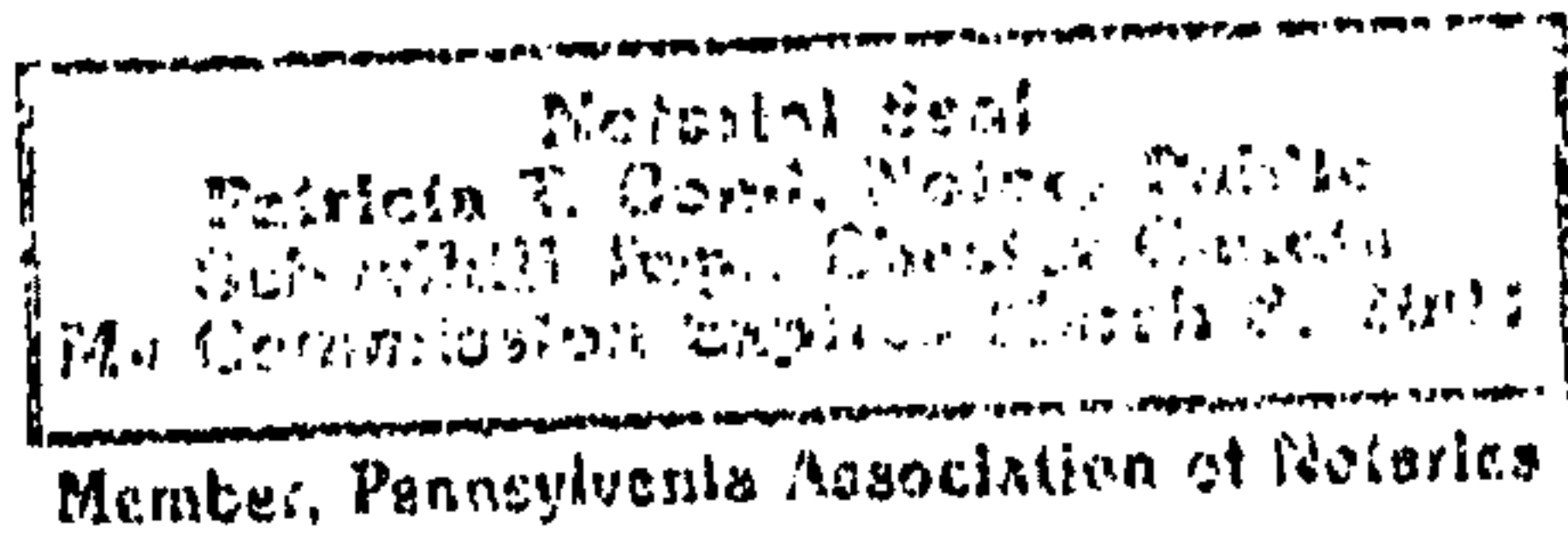


EXHIBIT A
STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Victoria's Grant, Section Three
TOTAL # OF PHASES: Three
DEVELOPER: Quality Built Homes, Inc.

PHASE I:

PLAT REF: EWA 743/195 # LOTS TO BE SERVED: 38

PROJECTED CONSTRUCTION START DATE: 6/1/98

PROJECTED CONSTRUCTION COMPLETION DATE: 11/30/98

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 .


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: QBHI by RNC

(Initials)

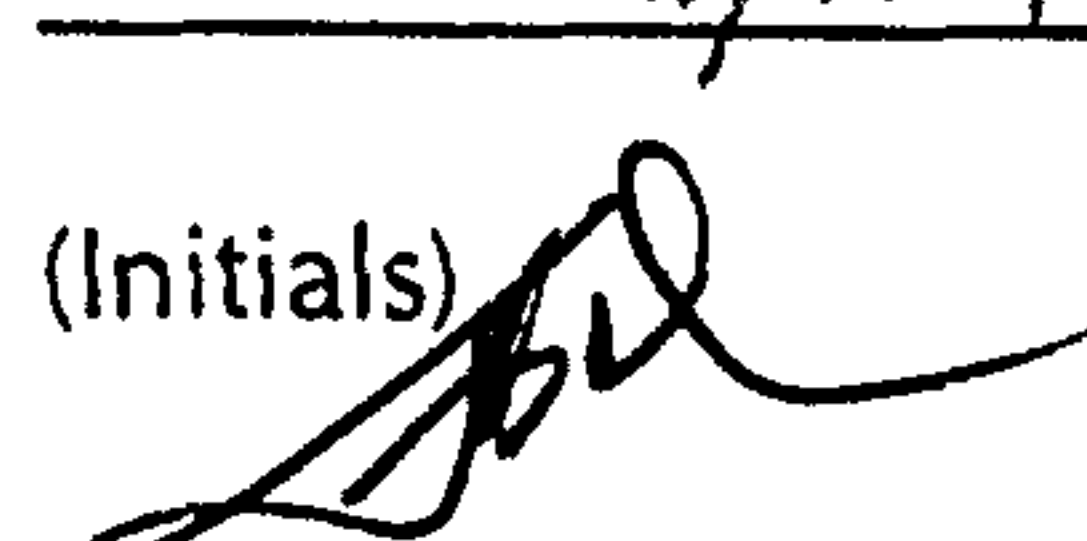


EXHIBIT B
STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: Victoria's Grant, Section Three
TOTAL # OF PHASES: Three
DEVELOPER: Quality Built Homes, Inc.

PHASE I:

PLAT REF: EWA 743/195 # LOTS TO BE SERVED: 38

PROJECTED CONSTRUCTION START DATE: 6/1/98

PROJECTED CONSTRUCTION COMPLETION DATE: 11/30/98

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

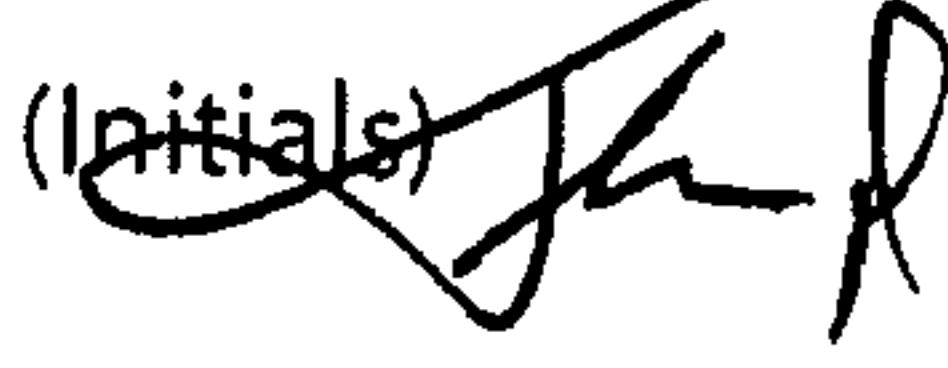
COMMISSION PARTICIPATION: NONE

*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: QBHIL, INC.

(Initials)



Bond No. 0267797

PERFORMANCE BOND

Conforms with The American Institute of Architects
AIA document No. A-311

KNOW ALL BY THESE PRESENTS: that Quality Built Homes, Inc.
P.O. Box 587, 69 Duke Street, Prince Frederick, MD 20678

(Here insert full name and address or legal title of Contractor)

as Principal, hereinafter called Contractor, and, International Fidelity Insurance Company
One Newark Center, 20th Floor, Newark, NJ 07102

(Here insert full name and address or legal title of Surety)

as Surety, hereinafter called Surety, are held and firmly bound unto St. Mary's County Metropolitan Commission, 191B
Langri-La Drive, Livingston Park, MD 20653

(Here insert full name and address or legal title of Owner)

as Obligee, hereinafter called Owner, in the amount of One Hundred Ninety Thousand Nine Hundred Fifty Four and 00/100 - -
----- Dollars (\$ 190,954.00)

for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly
and severally, firmly by these presents.

WHEREAS,

Contractor has by written agreement dated _____, _____, entered into a contract

with Owner for Victoria's Grant, Section Three, Water & Sewer Sanitary District

(Here insert full name, address and description of project)

in accordance with Drawings and Specifications prepared by

(Here insert full name and address or legal title of Architect)

which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

DP FD SEE 3
RECORDING FEE
RECORDING T
TR TAX STATE
TOTAL
RENT SP22
ENR LP
JUN 06 1995

This Deed, as of 2nd day of June,

In the year one thousand nine hundred and ninety-five by and between JOSEPH A. HEWITT, Individually and Attorney-In-Fact for JOHN W. HEWITT, M. JULIA KRITH, PEARL C. ROUNDTRIE, D. ANN CRUBBER AND MARY H. DENSMORE, by virtue of a Special Power of Attorney dated 1/18/95 and intended to be recorded among the Land Records of St. Mary's County, Maryland immediately prior to these presents, Grantor(s), of St. Mary's County, in the State of Maryland, of the first part, and

QUALITY BUILT HOMES, INC.,

Grantee(s), of the second part.

Witnesseth, That in consideration of the sum of \$ 775,000.00

and other good and valuable consideration, the receipt of which is hereby acknowledged, the said Grantor(s)

do(es) grant and convey unto the said QUALITY BUILT HOMES, INC., its successors

and assigns of said Grantee(s), forever, in fee simple, all that (these) lot(s), tract(s) piece(s) or parcel(s) of ground, situate, lying and being in the Eighth Election District of St. Mary's County, State of Maryland, and described as follows, that is to say: —

A parcel of land containing 50.213 acres of land, more or less, as set forth on a plat entitled "PLAT OF SURVEY FOR ALPHONSO J. HEWITT", and recorded among the Plat Records of St. Mary's County, Maryland in Plat Liber No. 34, Folio 34.

BEING all and the same land which was conveyed to the within Grantors by Deed dated 8/22/91 from Alphonso Hewitt and Hiltrude V. Hewitt, his wife, and recorded among the Land Records of St. Mary's County, Maryland at Liber E.W.A. No. 585, Folio 401; and by Deed dated 1/8/92 from Alphonso Hewitt and Hiltrude V. Hewitt, his wife, and recorded among the aforesaid Land Records at Liber E.W.A. No. 646, Folio 0010 and by Deed dated 1/7/93 from Alphonso Hewitt and Hiltrude V. Hewitt, his wife, and recorded among the aforesaid Land Records at Liber E.W.A. No. 743, Folio 195.

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

THIS IS TO CERTIFY THAT ALL TAXES ON
THIS PROPERTY HAVE BEEN PAID TO AND
INCLUDES THE LEVY FOR THE YEAR OF
1994. TAX ID# 02-02240-2
J. J. ...
ST. MARY'S COUNTY, MD.

AGRI. TRANSFER TAX PAID
J. J. ...
ST. MARY'S COUNTY TREASURER

Agricultural Transfer Tax in the
Amount of \$ 32,750.00 (w/ ...)
Signature J. J. ...

Subject to covenants, restrictions, rights of way, easements and other conditions contained in Deeds and
Instruments forming the chain of title to the above described property.

Together with the building 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.

BOOK 0011 PAGE 0034

To Have and To Hold the said lot(X) of ground, land 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

QUALITY BUILT HOMES, INC., its successors

assigns ~~XXXXXXXXXXXX~~ forever, in fee simple.

And the said party(ies) of the first part hereby covenant(s) that ~~he/she/they/it~~ (have) not done or suffered to be done any act, matter or thing whatsoever to encumber the property hereby conveyed; that ~~he/she/they/it~~ will warrant specially the property granted and ~~he/she/they/it~~ will execute such further assurances of the same as may be requisite.

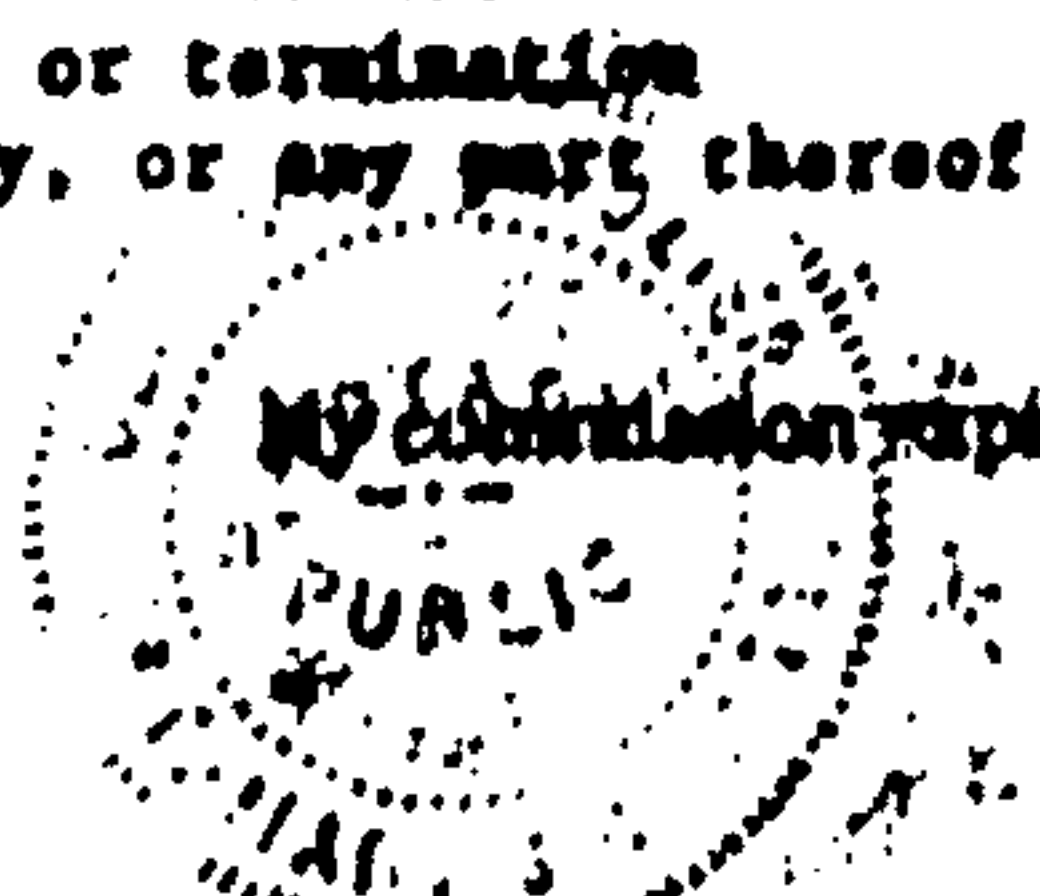
Witness the hand(s) and seal(s) of said grantor(s):

TEST:

Clara A. DeLozier
Witness As to ~~HEIR~~ Joseph A. Hewitt
Joseph A. Hewitt (SEAL)
JOSEPH A. HEWITT, Individually and Attorney-in-Fact for John W. Hewitt, M. Julia Keith, Pearl C. Roundtree, D. Ann Grubber and Mary H. Densmore
STATE OF MARYLAND, ST. MARY'S COUNTY, to wit:
JOHN W. HEWITT BY JOSEPH A. HEWITT, AIT
M. JULIA KEITH BY JOSEPH A. HEWITT, AIT
PEARL C. ROUNDTREE BY JOSEPH A. HEWITT, AIT
D. ANN GRUBBER BY JOSEPH A. HEWITT, AIT
MARY H. DENSMORE BY JOSEPH A. HEWITT, AIT

I HEREBY CERTIFY, That on this 2nd day of June, in the year one thousand nine hundred and ninety-five, before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared, Joseph A. Hewitt, Individually & as Attorney-In-Fact for John W. Hewitt, M. Julia Keith, Pearl C. Roundtree, D. Ann Grubber and Mary H. Densmore, the above named Grantors, and in pursuance of the power and authority set forth in the Power of Attorney hereinafore referred to, acknowledged the foregoing to be his act and the acts of the said John W. Hewitt, M. Julia Keith, Pearl C. Roundtree, D. Ann Grubber and Mary H. Densmore, and also acknowledged As Witness my hand and Notarial Seal.
the foregoing to be his act as such Attorney-in-Fact and further made oath in due form of law that at the time of the execution of the within instrument, he did not have actual knowledge of the revocation or termination of the above mentioned Power of Attorney, or any part thereof, by any cause whatsoever.

THIS IS TO CERTIFY THAT THE WITHIN INSTRUMENT WAS PREPARED BY THE UNDERSIGNED ATTORNEY, SOLELY ASSET TO REALTY BEFORE THE CHIEF OF APPEALS OF MARYLAND OR BY AN EMPLOYEE OF SUCH ATTORNEY.
Karen H. Abrams
ATTORNEY AT LAW
KAREN H. ABRAMS, ESQUIRE



State of Maryland Land Instrument Intake Sheet
County: ST. MARY'S

Information provided is for the use of the Clerk's Office and State Department of Assessments and Taxation only.

(Type or Print in Black Ink Only—All Copies Must Be Legible)

Multiple Instruments of the same transaction should be numbered to correspond with Sections 2, 6, 7, and 8. Number documents in the order to be recorded.

() Check Box if Addendum Intake Form is Attached.

1 Type(s) of Instruments

X Deed
Deed of Trust
X Mortgage
Lease
Contract
Land Installment Cont.

2 Consideration and Fees

Consideration Amount/Recording Fees	Doc. 1	Doc. 2
Consideration, Including Assumed Indebtedness	\$775,000.00	\$500,000.00
Recording Charge	\$20.00	\$20.00
Surcharge	\$5.00	\$5.00
State Recordation Tax	\$5,115.00	
State Transfer Tax	\$3,875.00	
AG XXX Transfer Tax (If Applicable)	\$38,750.00	
Other		
Total Fees	\$	\$

3 Exemptions (If Applicable)

Cite or Explain Authority

Recordation Tax Exemption:
State Transfer Tax Exemption:
County Transfer Tax Exemption:

4 Contact/Mail Information

Instrument Submitted By or Contact Person
Name: Claire A. DeLozier/Patricia A. Barnes
Firm: Town Title, Inc.
Address: 14 Fenwick Street, P.O. Box 516, Leonardtown, Maryland 20650
Phone: 301-475-8038

Return Instrument To (Check Applicable Box Below or Provide Appropriate Address)

X Return to Contact Person as Provided Above () Hold for Pick Up () Address Provided on Instrument

Name: Town Title, Inc.
Address: 14 Fenwick Street, P.O. Box 516, Leonardtown, Maryland 20650

5 Description of Property

DAT requires submission of all applicable information. A maximum of 40 characters will be indexed in accordance with the priority cited in Real Property Article Section 3-104(g)(3)(i).

District	Property Tax ID No. (1)	Grantor Liber/Folio	Map	Parcel No.	Var. L.O.G.
8th	08-02240-2	EWA 585/401 &	64670010 & 743795		(1) (5)
Subdivision Name		Lot (3a)	Block (3b)	Sec./AR(3c)	Plat Ref.
Land of Alphonso J. Hewitt					34/34
Sq. Ft./Acreage (4)					
50.213 acres					

Location/Address of Property Being Conveyed (2)

Hewitts Road, Great Mills, Maryland 20634

Partial Conveyance? () Yes (X) No Description/Amt. of Sq. Ft./Acreage Transferred:

If Partial Conveyance, List Improvements Conveyed:

6 Transferred From

Doc. 1 - Grantor(s) Name(s)	Doc. 2 - Grantor(s) Name(s)
Hewitt, Joseph A., Individually & AIF for: Hewitt, John W., Keith, M. Julia, Roundtree, Pearl C., Grubber, D. Ann * and Densmore, Mary H.	Quality Built Homes, Inc.

7 Transferred To

Doc. 1 - Grantee(s) Name(s)	Doc. 2 - Grantee(s) Name(s)
Quality Built Homes, Inc.	* Keith, M. Julia, Roundtree, Pearl C., Grubber, D. Ann and Densmore, Mary H.

8 Other Names to Be Indexed

Doc. 1 - Additional Names to be Indexed (Optional)	Doc. 2 - Additional Names to be Indexed (Optional)

9 Special Instructions

Special Recording Instructions (If any)

10 Conveyance Type

Check Box X Private Sale with Improvements (1) () Private Sale Unimproved (2) () Multiple Accounts/Property (3) () All Other (9)

11 Assessment Information

IMPORTANT: BOTH THE ORIGINAL DEED AND A PHOTOCOPY MUST ACCOMPANY EACH TRANSFER
Yes X No Will the property being conveyed be the grantor's principal residence?
Yes No Does transfer include personal property? If yes, identify:
Yes No Was property surveyed? If yes, attach copy of survey (if recorded, no copy required).

New Owner's (Grantee) Mailing Address:

Assessment Use Only - Do Not Write Below This Line							
Transfer Number	Date Received	Deed Reference	Map Grid	Section	Block	Lot	Other
18	19						
Year	Dep. Zoning	Map Grid	Sub	Block	Lot	Section	Other
	Use	Plat	Ex. Cd.	Ex. Cd.			
Tract	Tract						

THIS PUBLIC WORKS AGREEMENT, executed this 28th day of April, 1998, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"),
Meadow Lake L.L.C., (hereinafter, the "Developer"),
Meadow Lake L.L.C., (hereinafter, the "Owner") and
Maryland Bank and Trust, (hereinafter, the "Lender #2", Letter of Credit holder),

RECORDING FEE 0.00
 TOTAL 0.00
 Ref#SM02 Rcpt#999999
 EWA CSS Bk#2799
 Sep 30, 2002 12:35 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 C, 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 Meadow Lake Subdivision, Phase 1, 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 D _____, payable to the Commission, its successors and assigns, in an amount of \$ 269,165.60 _____ 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.

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 (\$45,430.00) 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 28 day of April 1998

.ATTEST:

ST.MARY'S COUNTY METROPOLITAN COMMISSION

[Signature]

Secretary

By: [Signature]

Francis L. Williams
Chairman

ATTEST:

DEVELOPER Meadow Lake LLC

By: [Signature]

Michael L. Hewitt, Pres.

PROPERTY OWNER Meadow Lake LLC

By: [Signature]

Michael L. Hewitt, Pres.

[Signature]

LENDER #1 Maryland Bank and Trust

By: [Signature]

Robert C. Swartz, Senior V. P.

EXHIBITS: _____

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 28th day of April 1998

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

Jacqueline Denise Notary Public
DeKruel

My Commission Expires: 5-8-00

(DEVELOPER)STATE OF

MARYLAND

COUNTY OF

ST. MARY'S

to wit:

I HEREBY CERTIFY that on this 28th day of April, 1998 before me,

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

Michael L. Hewitt and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Lillian J. Byrd Notary Public

My Commission Expires: 02/01/00

(OWNER)STATE OF MARYLAND

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 28th day of APRIL, 19 98 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Michael L. Hewitt and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Ladon J. Bryan Notary Public

My Commission Expires: 02/01/00

(LENDER #1)

STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 28th day of April, 19 98 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Robert Swartz 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.

Jacqueline Dewide Notary Public
Dickman

My Commission Expires: 5/8/00

EXHIBIT A
STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Meadow Lake Subdivision, Section 1
TOTAL # OF PHASES: One
DEVELOPER: Meadow Lake L.L.C.

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 59

PROJECTED CONSTRUCTION START DATE: 15 May 98

PROJECTED CONSTRUCTION COMPLETION DATE: 15 May 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 28 April, 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: JLW
(Initials)

Developer: WJH
(Initials)

EXHIBIT B

STATEMENT OF

PROPOSED SEWER FACILITIES

AND PHASING

PROJECT NAME: Meadow Lake Subdivision, Section 1

TOTAL # OF PHASES: One

DEVELOPER: Meadow Lake L.L.C.

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 59

PROJECTED CONSTRUCTION START DATE: 15 May 98

PROJECTED CONSTRUCTION COMPLETION DATE: 15 May 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 28 April, 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

Meadow Lake L.L.C

Exhibit C

Deed dated 11.15.97

BOOK 0011 PAGE 0051

Recorded - Liber 1131

Folio 314

Maryland Bank & Trust
Company, N.A.

BOOK 0011 PAGE 0052

POST OFFICE BOX 248 WALDORF, MARYLAND 20604-0248

TELEPHONE (301) 645-5644
<http://www.mdbank.com>

April 24, 1998

St. Mary's County Metropolitan Commission
21801 North Shangri-La Drive Suite F
Lexington Park MD 20653

Re: IRREVOCABLE LETTER OF CREDIT NO 511
Water & Sewer Construction
Meadow Lake Subdivision Phase 1
Meadow Lake, LLC

Dear Sir:

We hereby authorize you or your transferee to draw on us at sight up to an aggregate amount of Two Hundred Sixty Nine Thousand One Hundred Sixty Five and 60/100 dollars (US\$269,165.60) to insure compliance with the Water & Sewer Construction Agreement by and between Meadow Lake LLC and the St. Mary's County Metropolitan Commission.

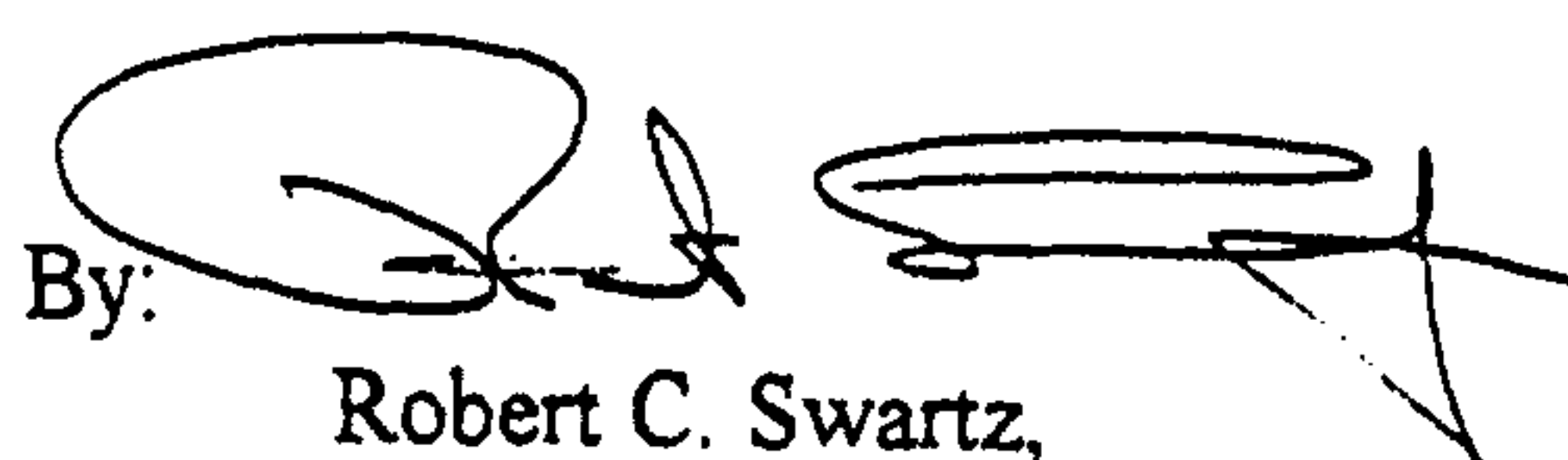
This Letter of Credit is irrevocable and transferable. It may be transferred without charge one or more times upon receipt of your written instructions. It will expire, unless renewed upon your written request, on April 24, 2000.

This Letter of Credit sets forth in full the terms of our obligation to you and such undertakings shall not in any way be modified or amplified by any agreement to which this letter relates, and any such reference shall not be deemed to incorporate herein by reference, any agreement.

We engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation.

Very truly yours,

MARYLAND BANK & TRUST COMPANY

By: 
Robert C. Swartz,
Senior Vice President

RCS:mh

DEPOSITS INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 1 day of Oct 1998, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"),

Joseph R. Evans, (hereinafter, the "Developer"),

Joseph R. Evans, (hereinafter, the "Owner") and

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

1
RECORDING FEE 0.00
TOTAL 0.00
Rest#599999
EWA CSS BIK#2799
Sep 30, 2002 12:35 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 C, 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 Evans 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 _____, 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 B _____, payable to the Commission, its successors and assigns, in an amount of \$ 16,647.00 _____ 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 B, for the period of construction of the Facilities, and for the period of the required warranty 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: \$105.00 based upon \$35.00 per residential lot, or EDU and N/A per commercial lot or EDU, payable upon execution of this Agreement.

Inspection Charges: \$583.00 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: \$150.00 based upon \$50.00
 per connection payable upon execution of this Agreement or at the time a connection permit is issued.

Debt Service Charge: \$57.42 per month based upon per EDU per month, or \$1.70 per front foot per year based on 405.3 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: \$49.65 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 Supply Fees: N/A 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: N/A 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 () 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 "Myiar 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 19 98

.ATTEST:

ST.MARY'S COUNTY METROPOLITAN COMMISSION

[Handwritten Signature]

By: [Handwritten Signature]

Secretary

Floyd B. Derby
Chairman

ATTEST:

DEVELOPER

By: [Handwritten Signature]
Joseph R. Evans

PROPERTY OWNER

By: [Handwritten Signature]
Joseph R. Evans

LENDER #1 FIRST NATIONAL Bank of St Marys
By: [Handwritten Signature]
Laschelle Miller, manager

EXHIBITS: _____

(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

Lucian J. Bizer 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 8th day of September 1998 before me,

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

Joseph R. Evans and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Jacqueline Denise Bricker Notary Public

My Commission Expires: 5/8/00

(OWNER)STATE OF

Maryland

COUNTY OF

St. Marys

to wit:

I HEREBY CERTIFY that on this 8th day of Sept, 1998 before me, the

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

WITNESS my hand and Notarial Seal.

Justina A. Dorsey
Notary Public

JUSTINA A. DORSEY
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires May 1, 2002

My Commission Expires:

(LENDER #1)

STATE OF

Maryland

COUNTY OF

St Marys

to wit:

I HEREBY CERTIFY that on this 8th day of Sept, 1998 before me, the

subscriber, a Notary Public in the county aforesaid, personally appeared Laschelle E. Miller 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.

Justina A. Dorsey
Notary Public

JUSTINA A. DORSEY
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires May 1, 2002

My Commission Expires:

EXHIBIT B
STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: Evans Subdivision

TOTAL # OF PHASES: One

DEVELOPER: Joseph R. Evans

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 3

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 09/03/98.

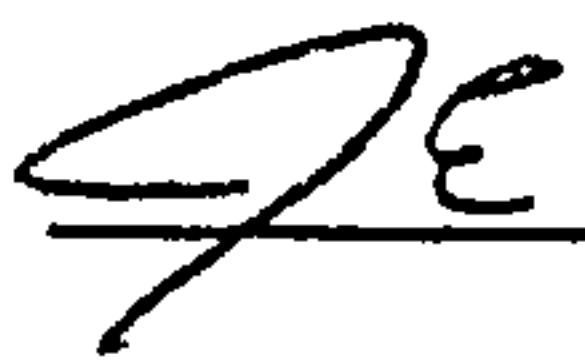
COMMISSION PARTICIPATION: NONE

*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 16 day of JUNE, 1998, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"), Chesapeake Professional Building, L.L.C., (hereinafter, the "Developer"), Rachelle Millison, (hereinafter, the "Owner")

RECORDING FEE 0.00
TOTAL 0.00
Res#SM03 Rcpt#999999
EWA KEB BIK#147
Oct 03, 2002 08:38 am

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 B, 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 Chesapeake Professional Building, hereinafter referred to as the "Project"; and,

WHEREAS, the Developer, either by requirement of St. Mary's County or by choice, desires to connect to 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 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 an Irrevocable Letter of Credit or cashiers check 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 \$ 5,000.00 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.

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 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 Cashiers Check 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:

Water Service Charge: \$10.20 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.

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 Facilities to be owned by the Commission 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 June 1998

.ATTEST:

ST.MARY'S COUNTY METROPOLITAN

COMMISSION

[Signature]

By: *[Signature]*

Francis L. Williams

Secretary

Chairman

CHESAPEAKE PROFESSIONAL BUILDING, LLC
DEVELOPER

By: *[Signature]*

ATTEST:

Rachelle Millison, member
Chesapeake Professional Buildings LLC
(PROPERTY OWNER RACHELLE MILLISON)

By: *[Signature]*

EXHIBITS: _____

Rachelle Millison, ~~member~~
~~Chesapeake Professional Buildings, LLC~~

(COMMISSION)

STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 18th day of June 1998 before me a Notary Public in and for the County of St. Mary's aforesaid personally appeared Francis Leroy 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

Louisa J. Bryan

Notary Public

(DEVELOPER)

STATE OF

Maryland

COUNTY OF

St. Mary's

to wit:

I HEREBY CERTIFY that on this 10th day of June 1998 before me,

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

Rachelle Millison and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Ingrid R. Hess

Notary Public

My Commission Expires: 5-1-2001

(OWNER)

STATE OF

Maryland

COUNTY OF

St. Marys

to wit:

I HEREBY CERTIFY that on this 10th day of June, 19 98 before me, the

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

Millison and that he/she/they acknowledged the foregoing Public Works Agreement to be

his/her/their act.

WITNESS my hand and Notarial Seal.

Loggia R. Hill

Notary Public

My Commission Expires: 5-1-2001

EXHIBIT A
STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Chesapeake Professional Building
TOTAL # OF PHASES: One
DEVELOPER: Chesapeake Professional Building, L.L.C.

PHASE I:

PLAT REF: EWA 45/10 # LOTS TO BE SERVED: One

PROJECTED CONSTRUCTION START DATE: 06/12/98

PROJECTED CONSTRUCTION COMPLETION DATE: 08/01/98

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 24 Sep. 97.

FACILITIES TO BE OWNED BY THE COMMISSION: 8" waterline running under and along Rt. 235, and fire hydrant.

COMMISSION PARTICIPATION: The Commission agrees to pay the actual difference between the cost of installing a ^{4"}~~4"~~ water line under Rt. 235 and installing an 8" water line under Rt. 235. This cost difference is estimated at \$7,124.00. The actual cost difference

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 10 day of September 1998 by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"),

H. W. Miller and Sons, Inc., (hereinafter, the "Developer"),

RECORDING FEE 0.00

H. W. Miller and Sons, Inc., (hereinafter, the "Owner") and

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

holder),

TOTAL 0.00
Res#SM83 Rcpt#999999
EWA KEB Bk#147

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,

Oct 03, 2002 08:39 am

WHEREAS, the Developer is developing the Property situated within said Sanitary District of St. Mary's County, Maryland, known and further described as Rue 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 \$ 300,500.00 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 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:

Inspection Charges: \$10,517.50 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: \$3,080.00 based upon \$88.00

per connection payable upon execution of this Agreement or at the time a connection permit is issued.

Debt Service Charge: \$732.18 per month based upon N/A

per EDU per month, or \$2.04 per front foot per year based on 4307 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: \$547.75 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: \$350.70 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 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 (\$50,050.00) 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 10 day of Sept 1998

ATTEST:

ST.MARY'S COUNTY METROPOLITAN COMMISSION

[Handwritten Signature]

Secretary

By: [Handwritten Signature]

Floyd B. Derby
Chairman

ATTEST:

[Handwritten Signature]

DEVELOPER
H.W. Miller and Sons, Inc

By: [Handwritten Signature] Pres.
Harry W. Miller, Pres.

PROPERTY OWNER
H.W. Miller and Sons, Inc.

By: [Handwritten Signature] Pres.
Harry W. Miller, Pres.

[Handwritten Signature]

LENDER #1 First National Bank of
st mary's

By: [Handwritten Signature]
Dankubican, Vice President

EXHIBITS: _____

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 10th day of September 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. Bryan 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 10 day of August, 1998 before me,

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

Harry W. Miller and that he/she/they acknowledged 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

(OWNER)STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 10 day of August, 1998 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Harry W. Miller and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Thomas A. Weiland Notary Public

My Commission Expires: 7-1-99

(LENDER #1)

STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 10 day of August, 1998 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Dan Kubican 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 A. Weiland Notary Public

My Commission Expires: 7-1-99

EXHIBIT A

STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Rue Woods Subdivision

TOTAL # OF PHASES: One

DEVELOPER: H. W. Miller and Sons, Inc.

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 35

PROJECTED CONSTRUCTION START DATE: Sep 98

PROJECTED CONSTRUCTION COMPLETION DATE: Sep 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 09 July, 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: Rue Woods Subdivision

TOTAL # OF PHASES: One

DEVELOPER: H. W. Miller and Sons, Inc.

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 35

PROJECTED CONSTRUCTION START DATE: Sep 98

PROJECTED CONSTRUCTION COMPLETION DATE: Sep 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 09 July, 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: JBD

(Initials)

Developer: JW.M.

(Initials)

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 27th day of

July 1998, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"),

Glen E. & Mary G. Bailey, (hereinafter, the "Developer"),

Glen E. & Mary G. Bailey, (hereinafter, the "Owner") and

RECORDING FEE 0.00
TOTAL 0.00
Res#SM03 Rcpt#999999
EMA KER BIK#147
Oct 03, 2002 08:40 am

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 A, 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 Three Grands, 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 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 N/A _____, payable to the Commission, its successors and assigns, in an amount of \$ N/A 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 A _____, hereinafter referred to as "Commission Property"; and,

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: Intentionally Left Blank

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: ___\$105.00_____ based upon ___\$35.00_____ per residential lot, or EDU and ___N/A___ per commercial lot or EDU, payable upon execution of this Agreement.

Inspection Charges: \$300.00 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: \$1,766.00 based upon Town of Leonardtown fee schedule per connection payable upon execution of this Agreement or at the time a connection permit is issued.

Sewer Service Charge: \$46.95 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.

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 27 day of July 1998

.ATTEST:

ST.MARY'S COUNTY METROPOLITAN COMMISSION

[Signature]

Secretary

By: [Signature]

Floyd B. Derby
Chairman

ATTEST:

DEVELOPER

[Signature]

By: [Signature]
Glen E. Bailey

By: [Signature]
Mary G. Bailey

SUSAN M. MARKOVICH
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires February 20, 2001

PROPERTY OWNER

By: [Signature]
Glen E. Bailey

By: [Signature]
Mary G. Bailey

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 13th day of August, 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 G. Bryan Notary Public

My Commission Expires: 02/01/00

(DEVELOPER)STATE OF

Maryland

COUNTY OF

St. Marys

to wit:

I HEREBY CERTIFY that on this 27th day of July, 1998 before me,

the subscriber, a Notary Public in the county aforesaid, personally appeared Glen + Mary

Bailey and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Jaqueline Dennis Notary Public
Dennis

My Commission Expires: 6.8.00

(OWNER)STATE OF Maryland

COUNTY OF St. Marys to wit:

I HEREBY CERTIFY that on this 27th day of July, 19 98 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Glen + Mary Bailey and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Jacqueline Denis Notary Public
Dukner

My Commission Expires: 5.8.00

_____ Notary Public

My Commission Expires: _____

EXHIBIT B

STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: Three Grands
TOTAL # OF PHASES: One
DEVELOPER: Glen & Mary Bailey

PHASE I:

PLAT REF: PARCEL TWO OF DBK 241-271 # LOTS TO BE SERVED: TOTAL 3 (ONLY ONE NOW)

PROJECTED CONSTRUCTION START DATE: SEPT 98

PROJECTED CONSTRUCTION COMPLETION DATE: SEPT/OCT 98

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

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

