

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 15th day of August, 1990, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"), Home Builders, Inc. (hereinafter, the "Developer"), Home Builders, Inc. (hereinafter, the "Owner") and Annapolis National Bank (hereinafter, the "Lender #1"), United Pacific Insurance Company (hereinafter, the "Lender #2", Letter of Credit holder),

RECORDING FEE 0.00
TOTAL 0.00
Res: SW03 R0: 14999999
EWA CSS BIK: 1229

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,

Oct 07, 2002 12:18 PM

WHEREAS, the Developer is developing the Property situated within said Sanitary District of St. Mary's County, Maryland, known and further described as Springwood Estates, 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 \$ 39,530.70 _____ 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 "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:

Review Fees: \$1050.00 based upon \$75.00
 per residential lot, payable upon execution of this Agreement.

Inspection Charges: \$1,383.57 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: \$1232.00 based upon \$88.00 p e r

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

Debt Service Charge: \$192.67 per month based upon \$1.70 per front foot per year based on 1360 front feet, payment beginning at the time capacity allocation is made (Planning Commission approval or service, whichever occurs first).

Sewer Service Charge: \$183.12 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: \$142.80 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 upon the first of the following to occur:

1. Issuance of a Connection Permit, or
2. Sale of an individual lot or lots, or
3. 365th day after the execution of this Agreement.

Water Storage Fees: \$450.00 per EDU for developments without storage facilities that utilize the public water system, payable upon the first of the following to occur:

1. Issuance of a Connection Permit, or
2. Sale of an individual lot or lots, or
3. 365th day after the execution of this Agreement.

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 Aug 1996

.ATTEST:

ST.MARY'S COUNTY METROPOLITAN COMMISSION

[Signature]

Secretary

By: [Signature]
Joseph I. Russell
Chairman

ATTEST: [Signature]

DEVELOPER
By: [Signature] Pres.
Dean A. Beck, Pres.

PROPERTY OWNER
By: [Signature] Pres.
Dean A. Beck, Pres.

[Signature]

LENDER #1 Annapolis National Bank
By: [Signature]
W. John Miller Jr.
Senior Vice President

LENDER #2 United Pacific Insurance Company
By: [Signature]
Richard J. Taylor, Atty in Fact

EXHIBITS: _____

(COMMISSION)

STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 13th day of February 19 97

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

Joseph Russell 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 Baker

Notary Public

Commission Expires 5/8/00

(DEVELOPER)

STATE OF

MARYLAND

COUNTY OF

CALVERT

to wit:

I HEREBY CERTIFY that on this 15th day of AUGUST, 1996 before me,

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

DEAN BECK and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Sherry D. Reed

Notary Public

My Commission Expires: AUGUST 1, 1998

(OWNER)

STATE OF

MARYLAND

COUNTY OF

CALVERT

to wit:

I HEREBY CERTIFY that on this 15th day of AUGUST, 1996 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared DEAN BECK and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Sherry D. Reid

Notary Public

My Commission Expires: AUGUST 1, 1998

(LENDER #1)

STATE OF

MARYLAND

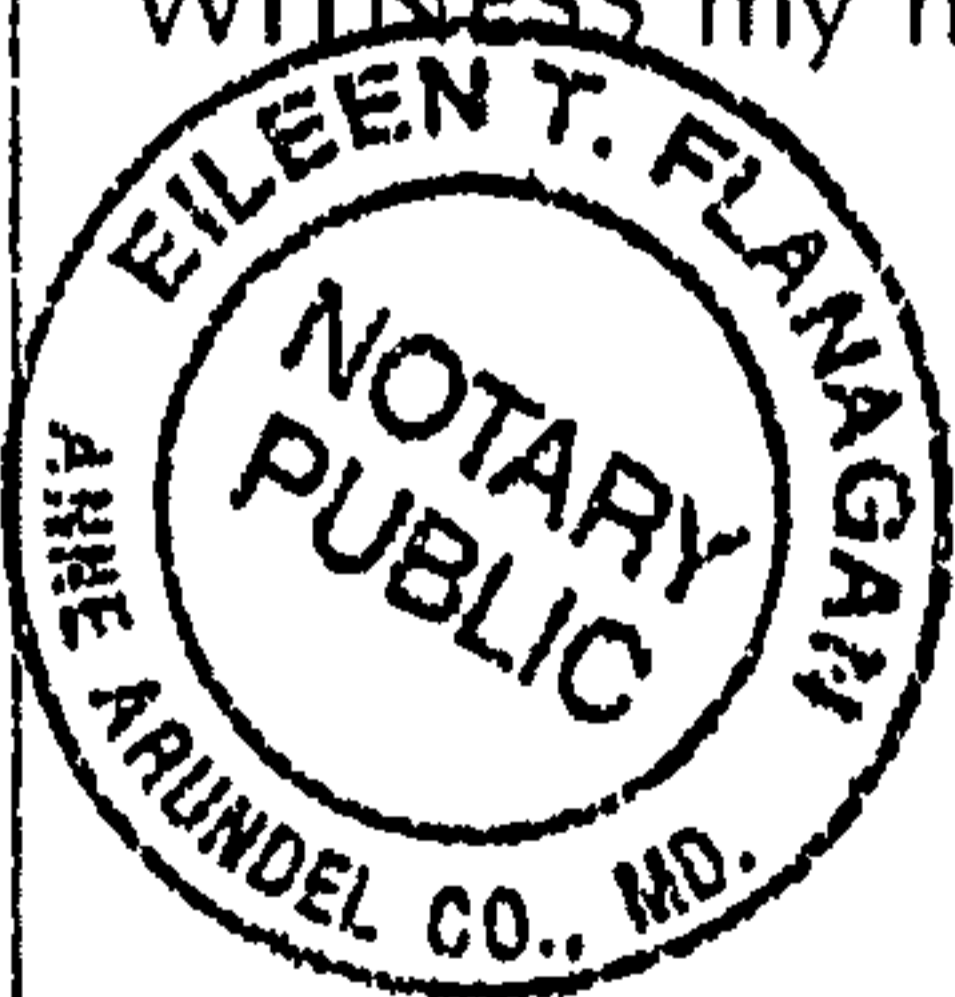
COUNTY OF

ANNE ARUNDEL

to wit:

I HEREBY CERTIFY that on this 14th day of AUGUST, 1996 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared M. David Miner Sr. VP 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.



Eileen T. Flanagan

Notary Public

EILEEN T. FLANAGAN
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires January 31, 1999

My Commission Expires: 1/31/99

(LENDER #2)

STATE OF Pennsylvania

COUNTY OF Allegheny to wit:

I HEREBY CERTIFY that on this 8th day of August, 19 96 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Richard J. Taylor 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.

Karen Comport

Notary Public

My Commission Expires: 12.29.97

Notarial Seal
Karen Comport, Notary Public
Robinson Twp., Allegheny County
My Commission Expires Dec. 29, 1997

EXHIBIT A
STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Springwood Estates

TOTAL # OF PHASES: One

DEVELOPER: Home Builders, Inc.

PHASE I:

PLAT REF: EWA 954/250 # LOTS TO BE SERVED: 14

PROJECTED CONSTRUCTION START DATE: 30 August 1996

PROJECTED CONSTRUCTION COMPLETION DATE: 30 March 1997

FACILITIES TO BE CONSTRUCTED*: Water distribution system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on 03/26/96.

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: [Signature]

(Initials)

Developer: [Signature]

(Initials)

EXHIBIT B
STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: Springwood Estates
TOTAL # OF PHASES: One
DEVELOPER: Home Builders, Inc.

PHASE I:

PLAT REF: EWA 954/250 # LOTS TO BE SERVED: 14


PROJECTED CONSTRUCTION START DATE: 30 August 1996

PROJECTED CONSTRUCTION COMPLETION DATE: 30 March 1996

FACILITIES TO BE CONSTRUCTED*: Sewerage collection system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on 03/26/96.

COMMISSION PARTICIPATION: _____

*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)

EXHIBIT B
STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: Springwood Estates
TOTAL # OF PHASES: One
DEVELOPER: Home Builders, Inc.


PHASE I:


PLAT REF: EWA 954/250 # LOTS TO BE SERVED: 14
PROJECTED CONSTRUCTION START DATE: 30 August 1996
PROJECTED CONSTRUCTION COMPLETION DATE: 30 March 1996

FACILITIES TO BE CONSTRUCTED*: Sewerage collection system with all appropriate appurtenances in accordance with the definition below and per the approved construction plans as signed by the Metropolitan Commission's Chief Engineer on 03/26/96.

COMMISSION PARTICIPATION: _____

*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 9 day of

OCT 1997, by and between the ST, MARY'S COUNTY

METROPOLITAN COMMISSION (hereinafter, the "Commission"),

Liberty Homes Development, Inc., (hereinafter, the "Developer"),

Hickory Hills IIIB L.L.C., (hereinafter, the "Owner") and

Nationsbank National Association, (hereinafter, the "Lender #1"),

Nationsbank National Association, (hereinafter, the "Lender #2", Letter of Credit

holder),

RECORDING FEE 0.00
TOTAL 0.00
Res#5483 Rort#999999
EWA CSS 311#229
Oct 07, 2002 12:19 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 Hickory Hills PUD Phase 3B, 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 \$ 107,767 _____ 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 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:

Review Fees: _____ based upon _____ per residential lot, or EDU and _____ per commercial lot or EDU, payable upon execution of this Agreement.

Inspection Charges: \$3,772.00 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: \$3,520.00 based upon \$88.00
 per connection payable upon execution of this Agreement or at the time a connection permit is issued.

Debt Service Charge: \$397.57 per month based upon N/A
 per EDU per month, or \$1.70 per front foot per year based on 2806
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: \$523.20 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: \$408.00 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: 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 (\$1,000.00) 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.

TWELFTH: Connection Permits may be issued for two (2) model homes upon the execution of this agreement. No further connection permits will be issued until the sewer facilities are completed and accepted for use by this commission.

R

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 9 day of Oct 1997

.ATTEST:

ST.MARY'S COUNTY METROPOLITAN COMMISSION

[Signature]

Secretary

By: [Signature]

Francis L. Williams
Chairman

ATTEST:

DEVELOPER Liberty Homes Development, Inc.

[Signature]

By: [Signature]
Edward R. Curley III, Pres.

PROPERTY OWNER Hickory Hills III B LLC

By: [Signature]
Edward R. Curley III, Manager

[Signature]

LENDER #1 Nationsbank National Association
By: [Signature] V.P.
Ronald C. Rymer, Vice President

[Signature]

LENDER #2 Nationsbank National Association
By: [Signature] V.P.
Ronald C. Rymer, Vice President

EXHIBITS: _____

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 9th day of October 1997

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

Francis L. Williams Chairman of the St. Mary's

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

WITNESS my hand and Notarial Seal

Louisa G. 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 1 day of August, 1997 before me,

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

Edward R. Curley III and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Clyde P. O'Malley Notary Public

My Commission Expires: May 1, 1999

(OWNER) STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 1 day of August, 1997 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Edward R. Curley III and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Edward R. Mally Notary Public

My Commission Expires: May 1, 1999

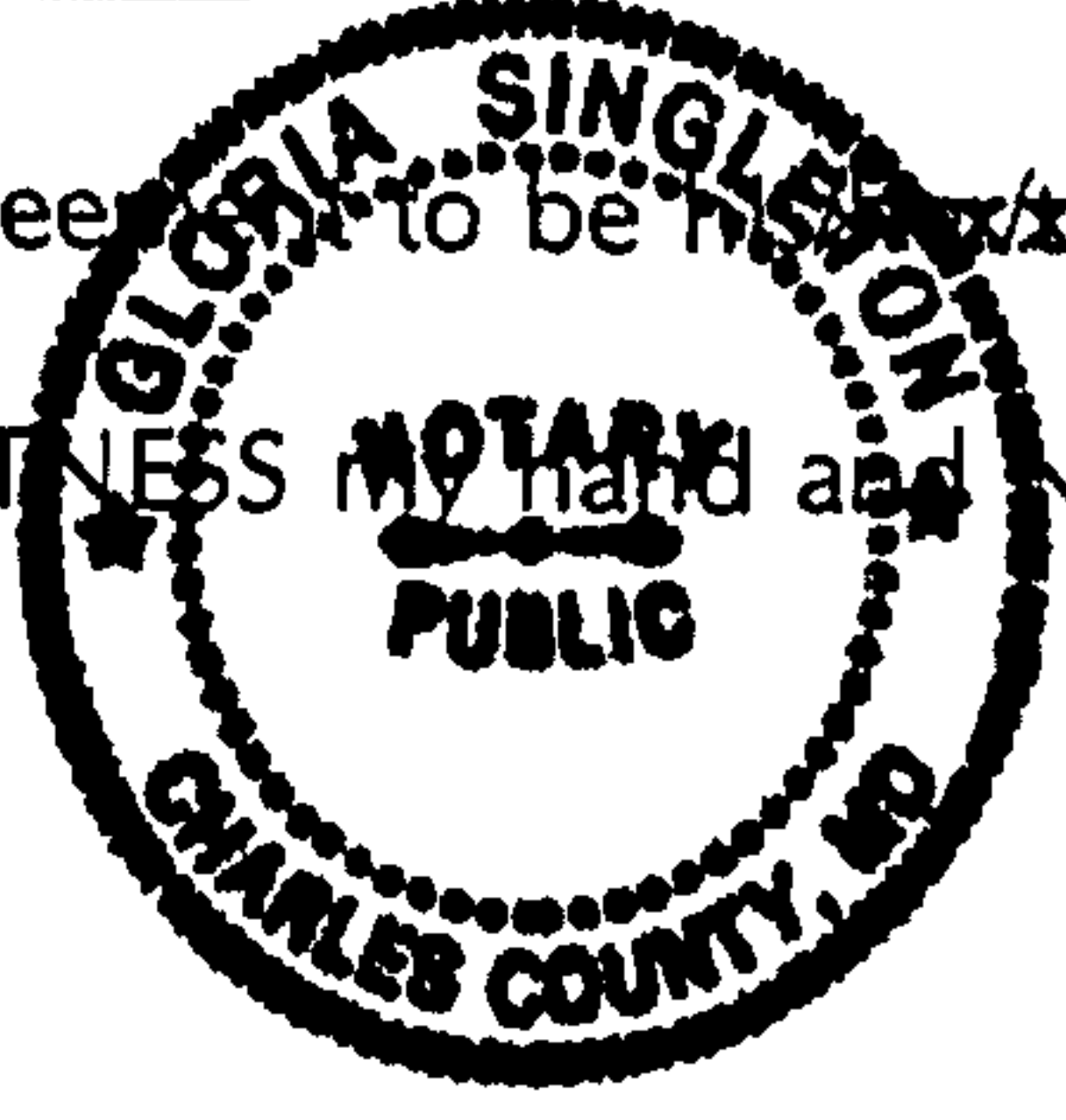
(LENDER #1)

STATE OF MARYLAND

COUNTY OF CHARLES to wit:

I HEREBY CERTIFY that on this 30th day of July, 1997 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Ronald C. Rymer 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.



Gloria Singleton Notary Public

My Commission Expires: 3/12/2001

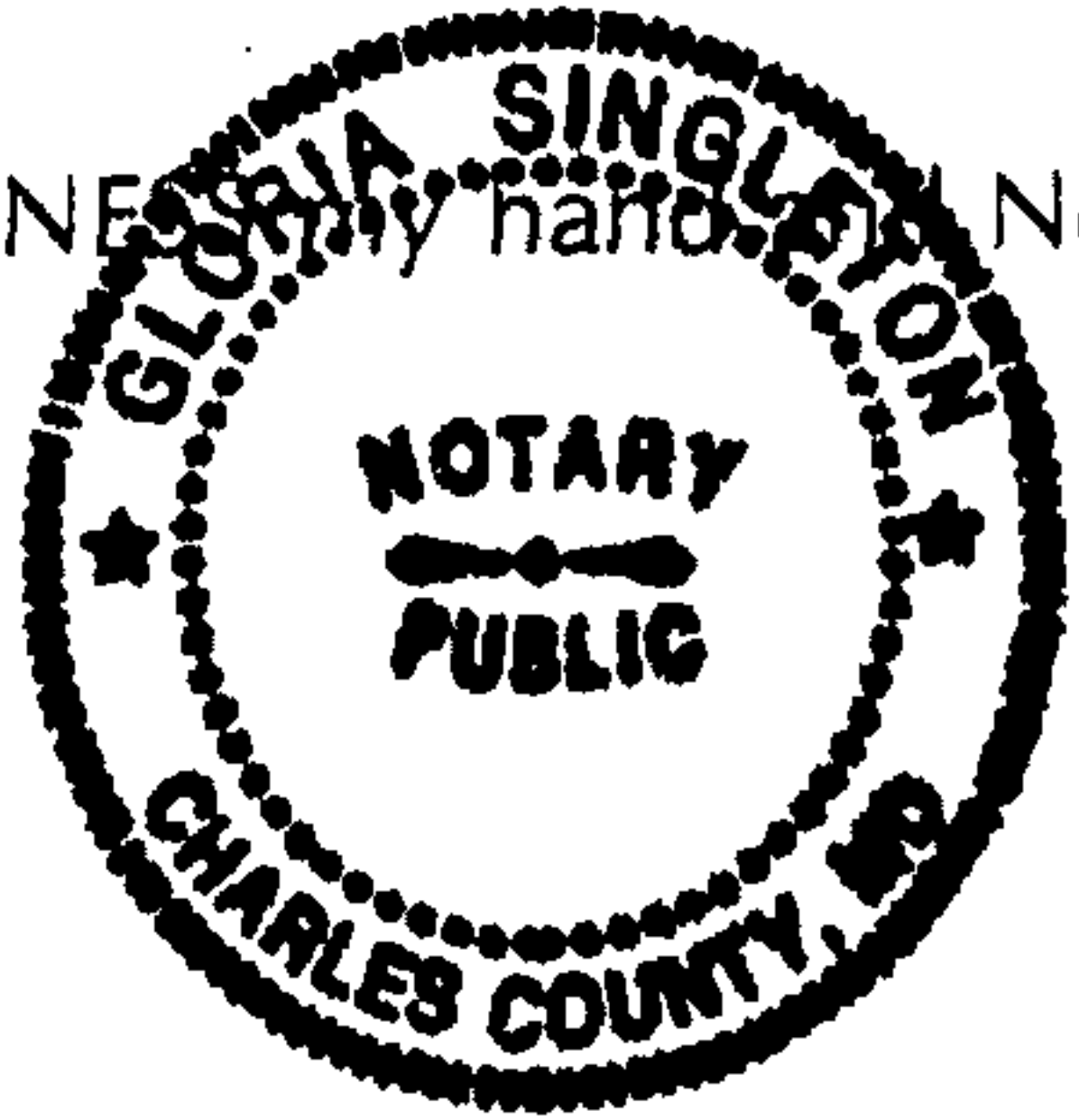
(LENDER #2)

STATE OF MARYLAND

COUNTY OF CHARLES to wit:

I HEREBY CERTIFY that on this 30th day of July, 19 97 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Ronald C. Rymer and that he/~~she/they~~ acknowledged the execution of the foregoing Public Works Agreement to be his/~~her/their~~ act.

WITNESSE my hand,  Notarial Seal.



Gloria Singleton Notary Public

My Commission Expires: 3/12/2001

EXHIBIT A
STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Hickory Hills PUD, Phase 3B
TOTAL # OF PHASES: One
DEVELOPER: Liberty Homes Development, Inc.

PHASE I:

PLAT REF: MRB 75/336 # LOTS TO BE SERVED: 40

PROJECTED CONSTRUCTION START DATE: 15 April, 1997

PROJECTED CONSTRUCTION COMPLETION DATE: 30 November, 1997

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,

EXHIBIT B

STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: Hickory Hills PUD, Phase 3B

TOTAL # OF PHASES: One

DEVELOPER: Liberty Homes Development, Inc.

PHASE I:

PLAT REF: MRB 75/336 # LOTS TO BE SERVED: 40

PROJECTED CONSTRUCTION START DATE: 15 April, 1997

PROJECTED CONSTRUCTION COMPLETION DATE: 30 November, 1997

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: _____

*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 13 day of Feb, 1997, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"), J. Laurence Millison, (hereinafter, the "Developer"), J. Laurence Millison, (hereinafter, the "Owner") and N/A, (hereinafter, the "Lender #1"), Nations Bank, (hereinafter, the "Lender #2", Letter of Credit holder),

RECORDING FEE 0.00
 TOTAL 0.00
 Res: 15M03 Rpt: 1999999
 EWA CSS BIK: 1229

W I T N E S S E T H

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 Cedar Cove P.U.D. - Kedges Strait, 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 Water and Sewage 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 \$ 200,068.00 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 "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: \$ 7,002.38 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: \$ 5,280.00 based upon \$ 88.00 per connection based upon \$88.00 for the cost of the meter and \$60.00 for the Certificate of Occupancy Permit Inspection, payable upon execution of this Agreement or at the time a connection permit is issued.

Debt Service Charge: \$ 801.55 per month based upon 5,658 front feet at \$1.70 per front foot per year, payment beginning at the time capacity allocation is made (Planning Commission approval or service, whichever occurs first).

Sewer Service Charge: \$ 902.52 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: \$ 703.80 per month based upon \$10.20 per month per meter beginning when the service is utilized. This Service Charge reflect 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 13 day of Feb 19 97.

ATTEST:

[Signature]

Secretary

ATTEST:

[Signature]

[Signature]

EXHIBITS: A
 B
 C
 D

ST. MARY'S COUNTY METROPOLITAN COMMISSION

By: [Signature]

Joseph I. Russell, Chairman DEVELOPER

By: [Signature]

J. Laurence Millison

PROPERTY OWNER

By: [Signature]

J. Laurence Millison

LENDER #2 NationsBank

By: [Signature]
Douglas S. Ewalt

(COMMISSION)

STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 13th day of February, 19 97, before me, the subscriber, a Notary Public in the County aforesaid, personally appeared Joseph I. Russell, 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

Susan Harvey

Notary Public

SUSAN HARVEY
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires May 8, 2000

(DEVELOPER)

STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 3rd day of October, 19 96 before me, the subscriber, a Notary Public in the County aforesaid, personally appeared J. Laurence Millison, and that he acknowledged the foregoing Public Works Agreement to be his act.

WITNESS my hand and Notarial Seal.

J. Laurence Millison

Notary Public

My Commission Expires: 5-1-97

(OWNER)

STATE OF Maryland

COUNTY OF St. Marys to wit:

I HEREBY CERTIFY that on this 31st day of October, 19 96 before me, the subscriber, a Notary Public in the County aforesaid, personally appeared J. Laurence Millison, and that he acknowledged the foregoing Public Works Agreement to be his act. WITNESS my hand and Notarial Seal.

[Signature]
Notary Public

My Commission Expires: 5-1-97

(LENDER #1)

STATE OF _____

COUNTY OF _____ to wit:

I HEREBY CERTIFY that on this _____ day of _____, 19 ____ before me, the subscriber, a Notary Public in the County aforesaid, personally appeared _____, Agent for _____, 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: _____

(LENDER #2)

STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 9th day of October, 19 96 before me, the subscriber, a Notary Public in the County aforesaid, personally appeared Douglas S. Swalt, Agent for Nationsbank, 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.

Angela R. Helt
Notary Public

My Commission Expires: 5-1-97

EXHIBIT A
STATEMENT OF

PROPOSED WATER FACILITIES

AND PHASING

PROJECT NAME: Cedar Cove P.U.D. - Kedges Strait

TOTAL # OF PHASES: 1

DEVELOPER: J. Laurence Millison

PHASE I:

PLAT REF: Liber 179 at Folio 275 # LOTS TO BE SERVED: 60

PROJECTED CONSTRUCTION START DATE: 06/01/97

PROJECTED CONSTRUCTION COMPLETION DATE: 04/01/98

FACILITIES TO BE CONSTRUCTED*: Water distribution system with all the appropriate appurtenances in accordance with the definition below and the approved plans dated October 20, 1995, by the Metropolitan Commission's Chief Engineer.

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: Cedar Cove P.U.D. - Kedges Strait

TOTAL # OF PHASES: 1

DEVELOPER: J. Laurence Millison

PHASE I:

PLAT REF: Liber 179 at Folio 275 # LOTS TO BE SERVED: 60

PROJECTED CONSTRUCTION START DATE: 03/01/96

PROJECTED CONSTRUCTION COMPLETION DATE: 03/01/97

FACILITIES TO BE CONSTRUCTED*: Gravity wastewater collection system with all the appropriate appurtenances in accordance with the definitions below and the approved plans dated October 20, 1995, by the Metropolitan Commission's Chief Engineer. Any sewage pumps needed to serve these lots shall be owned and maintained by the individual property owners.

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, sewer house service lines, 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, not to include individual sewage pumps.

Commission: *JK*
(Initials)

Developer: *JLM*
(Initials)

PUBLIC WORKS AGREEMENT

BOOK 0013 PAGE 0041

THIS PUBLIC WORKS AGREEMENT, executed this 25 day of July, 2000, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"), Tiger-Deacon of Maryland, LLC (hereinafter, the "Developer"), Tiger-Deacon of Maryland, LLC (hereinafter, the "Owner") and Delhaize America, Inc. (hereinafter, the "Lender #1", Letter of Credit holder),

WITNESSETH

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

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

WHEREAS, the Developer is developing the Property situated within said Sanitary District of St. Mary's County, Maryland, known and further described as Callaway Marketplace, 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,

RECORDING FEE 0.00
TOTAL 0.00
Regr#SM03 Rep#4999999
EHA CSS R14255
Oct 08, 2002 11:24 am

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 \$ 87,411.50 _____ conditioned that the Developer shall well and truly perform and fulfill the covenants, conditions and terms of this Agreement, and shall assure payment for all materials utilized and work performed, all of which shall remain in force until the expiration

of the warranty period as set forth in Paragraph EIGHTH.

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

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

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

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

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

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

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

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

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

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

SIXTH: Developer shall pay the following fees and charges:

Review Fees: \$450.00 based upon N/A per residential lot, or EDU and \$75.00 per commercial lot or EDU, payable upon execution of this Agreement. This Charge reflects the currently approved rate and is subject to change.

Inspection Charges: \$3,060,00 based upon 3.5% of the Performance and Payment Bond or Irrevocable Letter of Credit, payable upon execution of

this Agreement. Said amount shall be placed in an account by the Commission and shall be drawn upon from time to time to reimburse the Commission for the direct and indirect cost of said Inspection service, and if said cost is less than the Inspection Charge initially collected, the remaining balance shall be returned to the Developer or, if the total Inspection cost is more than the Inspection Charge initially collected, the Developer shall pay to the Commission the difference. This Charge reflects the currently approved rate and is subject to change.

Connection Charges: \$442.00 based upon 1 Two inch direct and 3 ea 5/8"x3/4" remote meters per connection payable upon execution of this Agreement or at the time a connection permit is issued. This Charge reflects the currently approved rate and is subject to change.

Sewer Benefit Assessment Charge: \$61.25 per month based upon N/A per EDU per month, or \$2.45 per front foot per year based on 300 front feet, payment beginning at the time capacity allocation is made (Planning Commission approval or service is made available, whichever occurs first). This Charge reflects the currently approved rate and is subject to change.

Sewer Impact Fees: \$360.00 based upon \$60.00 per lot or EDU, applied for future upgrade of the Forrest Run Pump Station. This fee is levied because this section of the project lies entirely out of the designed service area for the above mentioned pump station. This Charge reflects the currently approved rate and is subject to change.

Water Impact Fees: TBD based upon TBD per lot

or EDU, applied for future upgrade of the Hunting Quarters Pump Station.

Sewer Service Charge: \$111.24 per month based upon \$18.54 per month per EDU beginning when the service is utilized. This Service Charge reflects the currently approved rate and is subject to change.

Water Service Charge: \$40.08 per month based upon \$10.02 per month per meter for service and \$50.00 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.* This Charge

reflects the currently approved rate and is subject to change.

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

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

* If this option is selected, a bond in the amount of 110% of the amount due (\$7,920.00) will be required.

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

EIGHTH: Developer shall warrantee all mechanical, electrical and control Facilities

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

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

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

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

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

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

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

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

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

WITNESS the hands and seals of the parties hereto, this 25 day of July 2000

ATTEST:

ST.MARY'S COUNTY METROPOLITAN COMMISSION

Lillian G. Bryan

Secretary

By: [Signature]

Valentino L. Johnson, Sr
Chairman

ATTEST:

DEVELOPER: Tiger-Deacon of Maryland LLC

By: [Signature]
Vince Watkins, Partner

PROPERTY OWNER: Tiger-Deacon of Maryland LLC

By: [Signature]
Vince Watkins, Partner

LENDER #1 : Delhaize America, Inc.

By: [Signature]
R. Glenn Dixon, Jr.

LENDER #2

By: _____

EXHIBITS: A
B
C
D

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 25th day of July 2000

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

Valentine L. Johnson, Sr. 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

Lashain G. Bryan Notary Public

My Commission Expires: 2/1/2004.

(DEVELOPER)STATE OF

NC

COUNTY OF

Mecklenburg to wit:

I HEREBY CERTIFY that on this 24 day of July, 2000 before me,

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

C. Watkins and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Donita L. White Notary Public

My Commission Expires: My Commission Expires 5-7-2001

(OWNER)STATE OF NC

COUNTY OF Rockleburg to wit:

I HEREBY CERTIFY that on this 24 day of July, 2000 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Vincent G. Watkins and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Bonita L. Luber Notary Public

My Commission Expires: My Commission Expires 5-7-2001

(LENDER #1)

STATE OF North Carolina

COUNTY OF Rowan to wit:

I HEREBY CERTIFY that on this 25th day of July, 2000 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared R. Glenn Dixon, Sr. 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.

Christy S. Leaver Notary Public

My Commission Expires: 4/8/02

(LENDER #2)

STATE OF _____

COUNTY OF _____ to wit:

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

WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires: _____

EXHIBIT A
STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Callaway Marketplace
TOTAL # OF PHASES: One
DEVELOPER: Tiger-Deacon of Maryland, LLC

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED:
PROJECTED CONSTRUCTION START DATE: 01 Jul 00
PROJECTED CONSTRUCTION COMPLETION DATE: 15 Feb 01

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: _____

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

EXHIBIT B
STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: _____

TOTAL # OF PHASES: _____

DEVELOPER: Tiger-Deacon of Maryland, LLC

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED:

PROJECTED CONSTRUCTION START DATE: _____

PROJECTED CONSTRUCTION COMPLETION DATE: _____

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: _____

*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)



EXHIBIT "C"

BOOK 0013 PAGE 0058

First-Citizens Bank & Trust Company
International Banking Services
100 East Tryon Road
PO Box 27131 (27611-7131)
Raleigh, North Carolina 27603 USA
Telex 6734454 SWIFT FCBTUS33
Telephone 919/716-2887
Telefacsimile 919/772-1037

JULY 25, 2000

ST. MARY'S COUNTY METROPOLITAN COMMISSION
ATTN: MAC PAUL
43990 COMMERCE AVENUE
HOLLYWOOD, MARYLAND 20636

LADIES AND GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STAND-BY LETTER OF CREDIT NUMBER SB91621 IN YOUR FAVOR FOR THE ACCOUNT OF ASHLAND CONSTRUCTION COMPANY, 4601 ATLANTIC AVENUE, RALEIGH, NC 27604 AND AUTHORIZE YOU TO DRAW ON US AT SIGHT TO THE EXTENT OF USD87,411.50 (EIGHTY-SEVEN THOUSAND FOUR HUNDRED ELEVEN AND 50/100 UNITED STATES DOLLARS). THIS LETTER OF CREDIT IS AVAILABLE FOR PAYMENT UPON PRESENTATION AT OUR COUNTERS OF YOUR DRAFT(S) ON US WHEN ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT.

DRAFTS MUST CLEARLY SPECIFY THE NUMBER OF THIS LETTER OF CREDIT AND BE PRESENTED NOT LATER THAN JULY 21, 2001 AT THE FOLLOWING ADDRESS:

FIRST-CITIZENS BANK & TRUST COMPANY
INTERNATIONAL BANKING SERVICES
100 EAST TRYON ROAD, DAC44
RALEIGH, NC 27603

ALL BANKING CHARGES, OTHER THAN THOSE OF FIRST CITIZENS BANK, ARE FOR THE ACCOUNT OF THE BENEFICIARY.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NUMBER 500.

WE HEREBY ENGAGE WITH YOU THAT DRAFT(S) DRAWN UNDER AND IN STRICT COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED.

SINCERELY,

A handwritten signature in cursive script, appearing to read "Kimberly Langford".

AUTHORIZED SIGNATURE

NOTE: DOCUMENTS MUST CONFORM STRICTLY WITH THE TERMS OF THIS LETTER OF CREDIT. IF YOU ARE UNABLE TO COMPLY WITH ITS TERMS, PLEASE COMMUNICATE WITH US AND/OR THE APPLICANT PROMPTLY WITH RESPECT TO HAVING THE CONDITIONS CHANGED.

Deed Description of 17.558 Acres of Land, more or less
Second Election District, St. Mary's County, Maryland

Beginning at an iron pipe found on the southerly side of Maryland State Route 5, a variable width right-of-way, said point also being the northwesterly corner of the herein described. Thence running with the said right-of-way, as recorded in state roads commission plats 13301 and 13302, among the land records of St. Mary's County, Maryland, 125.37 feet along the arc of a curve to the left having a radius of 2889.79 feet, a chord distance of 125.36 feet and a chord bearing of S 84°27'54" E to a point, thence,

- 1) S 85°42'28" E 748.06 feet to a point, thence,
- 2) S 04°17'32" W 14.57 feet to a point, thence,
- 3) S 85°42'28" E 118.00 feet to a point at the northeasterly corner of the herein described. Said point also being the northwesterly corner of the lands now or formerly owned by Chance Enterprises, Inc. as recorded in Liber EWA 087 Folio 239 among the aforesaid land records. Thence leaving the said Maryland State Route 5 right-of-way and running with the lands of Chance Enterprises, Inc.
- 4) S 13°24'03" W 184.41 feet to a point, thence,
- 5) S 13°38'25" W 30.99 feet to an iron bar found at the northwesterly corner of the land now or formerly owned by Kenneth Russell Dement and Shirley Marie Dement as recorded in Liber 179 Folio 282 among the aforesaid land records. Thence, leaving the lands of Chance Enterprises, Inc. and running with the lands of Dement,
- 6) S 13°38'25" W 118.22 feet to a point on line, and at the northwesterly corner of the lands now or formerly owned by Kenneth Russell Dement and Shirley Marie Dement as recorded in Liber MRB 052 Folio 458 among the aforesaid land records. Thence, continuing with the aforesaid lands of Dement.
- 7) S 13°38'25" W 125.50 feet to an iron bar found, at the southwesterly corner of the lands of Dement, thence,
- 8) S 85°38'05" E 259.00 feet to a point on the westerly side of Maryland State Route 249, a variable width right-of-way. Said point passing through a metal fence post found at 255.32 feet along said line, thence leaving the lands of Dement and running with the said right-of-way.
- 9) S 07°47'53" W 140.96 feet to a concrete monument found at the northeasterly corner of Lot 5, Rickle Hill Subdivision, as recorded in Plat Book 26, Page 23 among the aforesaid land records. Thence, leaving the said right-of-way and running with the northerly outline of Rickle Hills Subdivision.

- 10) S 69°27'31" W 644.44 feet to an iron pipe found on the northeasterly lines of the lands now or formerly owned by Richard Hayden and Judy Ann Hayden as recorded in Liber EWA 1027 Folio 333 among the aforesaid land records. Thence, leaving the outline of Rickle Hill Subdivision and running with the lands of Hayden.
- 11) S 69°20'10" W 57.70 feet to a point, thence,
- 12) N 13°30'10" E 151.16 feet to a point, thence, running through the lands of Hayden.
- 13) N 87°02'59" W 544.30 feet to a point on the easterly lines of the lands now or formerly owned by Bruno Capparilli and Linda Beth Capparilli as recorded in Liber EWA 1134 Folio 517 among the aforesaid land records, thence, running with the lands of Capparilli.
- 14) N 07°02'14" E 100.91 feet to an iron pipe found on the southerly line of the lands now or formerly owned by James N. Combs and Shirley Marie Combs as recorded in Liber CBG 108 Folio 426 among the aforesaid land records, thence, leaving the lands of Capparilli and running with the lands of Combs.
- 15) N 86°07'31" E 37.56 feet to an iron rod found at the southeasterly corner of the lands of Combs, thence, continuing with the lands of Combs.
- 16) N 00°15'34" W 665.97 feet to the point of beginning, containing 17.558 acres of land more or less.

Subject to any and all rights-of-way and/or easements of record.

Saving and excepting a 40 ft. wide strip of land running along the aforesaid Maryland State Route 5 right-of-way for future dedication to the State Roads Commission containing approximately 0.868 acres of land more or less.

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 16 day of August 2001, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"), Meadow Lake, LLC, (hereinafter, the "Developer"), Meadow Lake, LLC, (hereinafter, the "Owner") and Maryland Bank and Trust, (hereinafter, the "Lender #1", Letter of Credit holder),

RECORDING FEE 0.00
 TOTAL 8.00
 Res#SMB3 Rcpt#999999
 EWA CSS 11K#255
 Oct 08, 2002 11:25 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 Meadow Lake, Phase 2, 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 \$347,774.00 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: \$12,172.00 based upon 3.5% of the Performance and Payment Bond or Irrevocable Letter of Credit, payable upon execution of this Agreement. Said amount shall be placed in an account by the Commission and shall be drawn upon from time to time to reimburse the Commission for the direct and indirect cost of said Inspection service, and if said cost is less than the Inspection Charge initially collected, the remaining balance shall be returned to the Developer or, if the total Inspection cost is more than the Inspection Charge initially collected, the Developer shall pay to the Commission the difference. This Charge reflects the

currently approved rate and is subject to change.

Connection Charges: \$3,715.50 based upon \$91.50 per connection payable upon execution of this Agreement or at the time a connection permit is issued. This Charge reflects the currently approved rate and is subject to change.

Sewer Benefit Assessment Charge: \$1,458.77 per month based upon N/A per EDU per month, or \$2.04 per front foot per year based on _____ front feet, payment beginning at the time capacity allocation is made (Planning Commission approval or service is made available, whichever occurs first). This Charge reflects the currently approved rate and is subject to change.

Sewer Service Charge: \$960.14 per month based upon \$18.54 per month per EDU beginning when the service is utilized. This Service Charge reflects the currently approved rate and is subject to change.

Water Service Charge: \$410.82 per month based upon _____ 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.* This Charge reflects the currently approved rate and is subject to change.

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

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

* If this option is selected, a bond in the amount of 110% of the amount due (\$54,120.00) will be required.

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

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

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

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

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

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

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

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

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

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

WITNESS the hands and seals of the parties hereto, this _____ day of _____ 20____

.ATTEST:

ST.MARY'S COUNTY METROPOLITAN

COMMISSION

L. Bryan

Secretary

ATTEST:

By: *Valentino L. Johnson, Sr.*

Valentino L. Johnson, Sr.
Chairman

DEVELOPER : *Meadow Lake, LLC*

By: *Michael Hewitt*

Michael Hewitt, President

PROPERTY OWNER : *Meadow Lake, LLC*

By: *Michael Hewitt*

Michael Hewitt, President

LENDER #1: *Maryland Bank & Trust*

By: *Jeffery D. Taylor*

Jeffery D. Taylor, Vice President

EXHIBITS: A
 B
 C
 E

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 1st day of October 2001

before me a Notary Public in and for the County of St. Mary's aforesaid personally appeared Valentino L. Johnson, Sr. 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

Lo Bryan Notary Public

My Commission Expires: 2/1/2004.

(DEVELOPER)STATE OF

Maryland

COUNTY OF

St. Marys

to wit:

I HEREBY CERTIFY that on this 16 day of August, 2001 before

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

WITNESS my hand and Notarial Seal.

Margaret Adams Notary Public

My Commission Expires: 8/1/03

(OWNER) STATE OF Maryland
COUNTY OF Sh. Marys to wit:

I HEREBY CERTIFY that on this 16 day of August, 2001 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared MICHAEL HEWITT and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Margaret Adams Notary Public

My Commission Expires: 8/1/03

(LENDER #1)

STATE OF Maryland
COUNTY OF Sh. Marys to wit:

I HEREBY CERTIFY that on this 16 day of August, 2001 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared JEFFREY TAYLOR 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.

Margaret Adams Notary Public

My Commission Expires: 8/1/03

EXHIBIT A

STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Meadow Lake, Phase 2
TOTAL # OF PHASES: One
DEVELOPER: Meadow Lake, LLC

PHASE I:

PLAT REF: _____ # LOTS TO BE SERVED: 41

PROJECTED CONSTRUCTION START DATE: 01 Aug 01

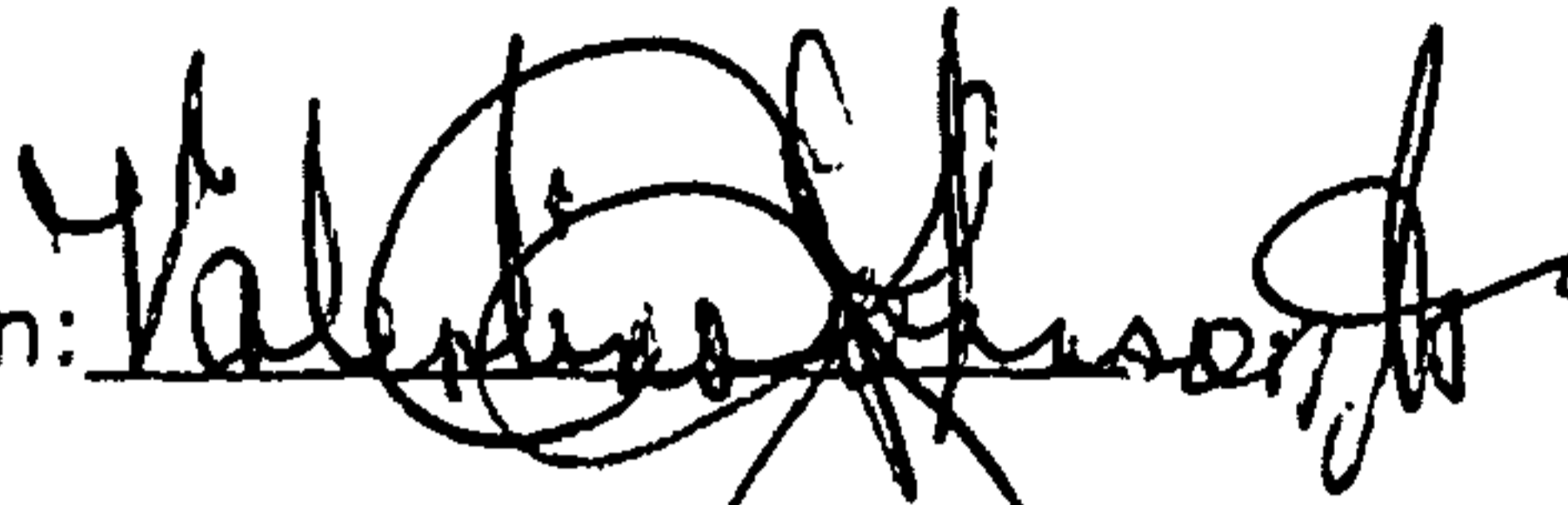
PROJECTED CONSTRUCTION COMPLETION DATE: 01 Aug 02

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 04/30/01.

COMMISSION PARTICIPATION: NONE

*The facilities listed also include FOR WATER PUMPING STATION: Wells, pumps, controls, generators, chlorinators, compressors, meters, valves, interior and exterior piping and appurtenances, together 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: Meadow Lake, Phase 2
TOTAL # OF PHASES: One
DEVELOPER: Meadow Lake, LLC

PHASE I:

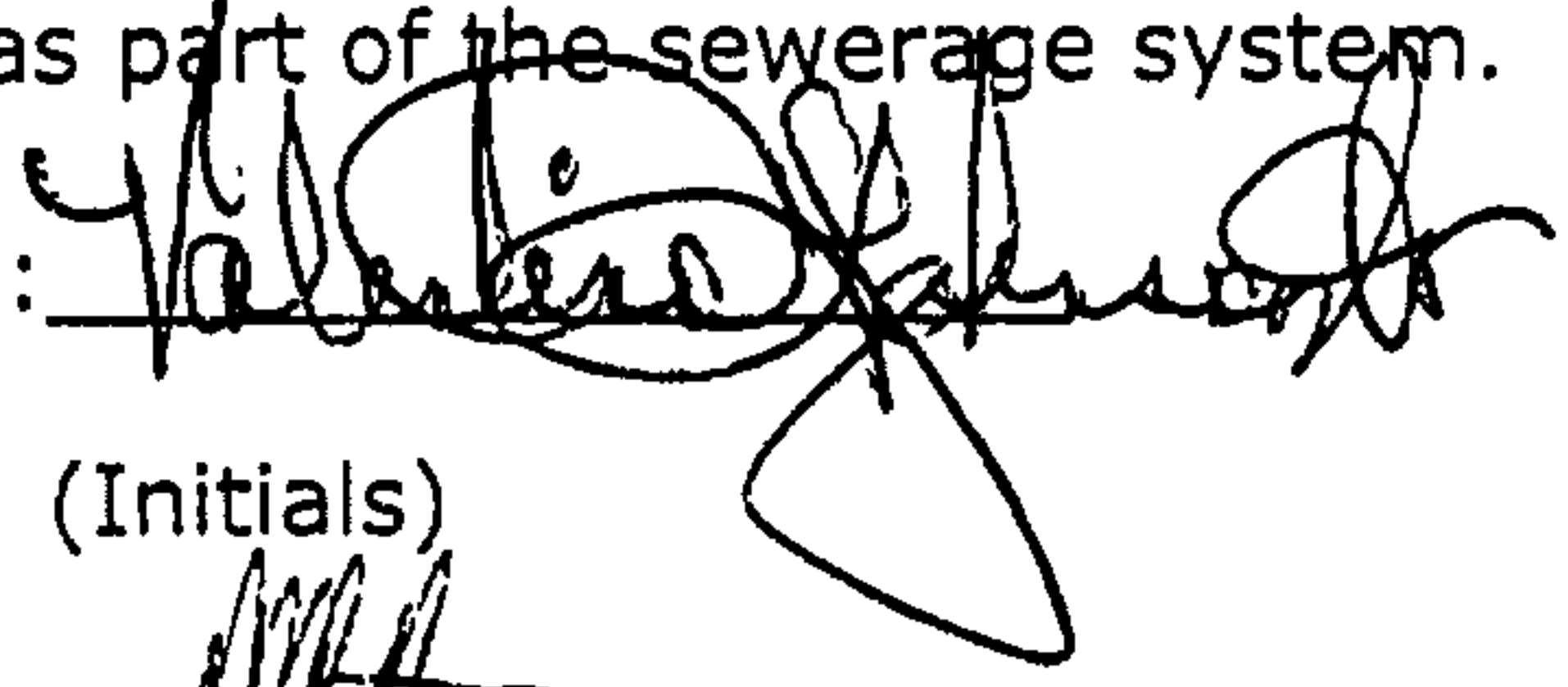
PLAT REF: _____ # LOTS TO BE SERVED: 41
PROJECTED CONSTRUCTION START DATE: 01 Aug 01
PROJECTED CONSTRUCTION COMPLETION DATE: 01 Aug 01

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 04/30/01.

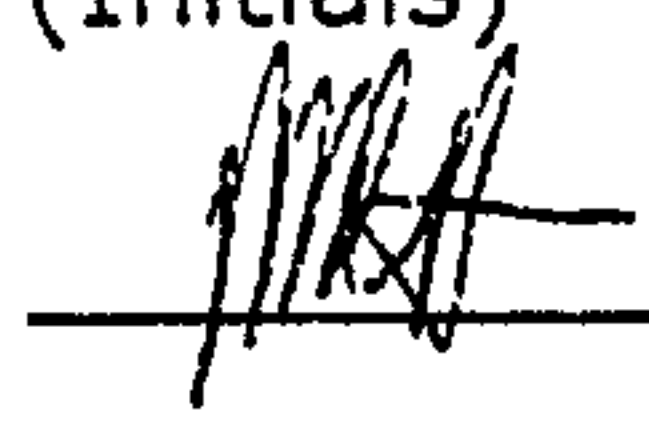
COMMISSION PARTICIPATION: NONE

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

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

Commission: 

(Initials)

Developer: 

(Initials)

*Maryland Bank
& Trust Company*

BOOK 0013 PAGE 0076

POST OFFICE BOX 340, LEXINGTON PARK, MARYLAND 20653-0340

TELEPHONE (301) 863-7061
<http://www.mdbank.com>

EXHIBIT C (1 of 2)

August 13, 2001

St. Mary's County Metropolitan Commission
43990 Commerce Ave
Hollywood MD 20636

Re: IRREVOCABLE LETTER OF CREDIT NO 646
Water & Sewer Construction
Meadow Lake Subdivision Phase 2
Meadow Lake, LLC

Dear Sir:

We hereby authorize you or your transferee to draw on us at sight up to an aggregate amount of Three Hundred Forty Seven Thousand Seven Hundred Seventy Four and 00/100 dollars (US\$347,774.00) 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 August 13, 2002

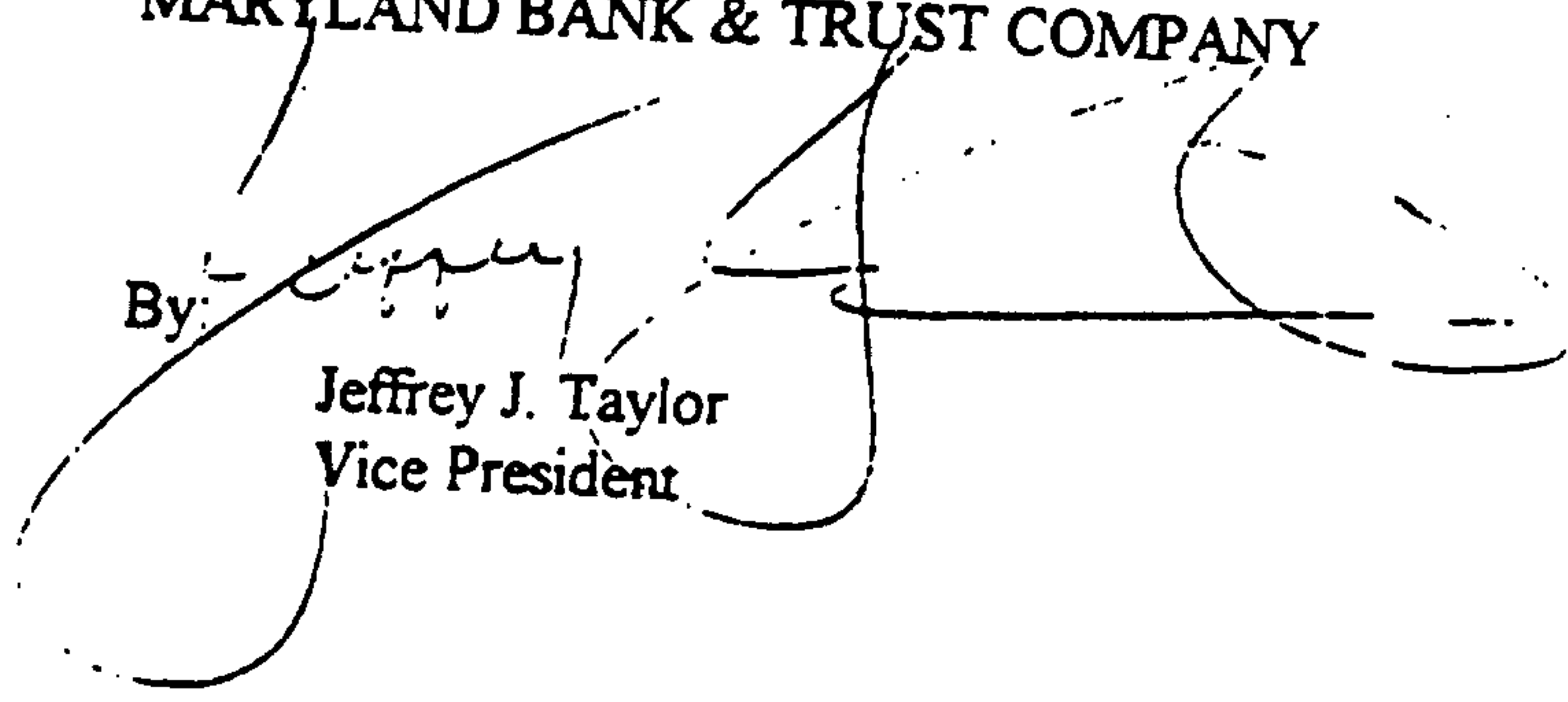
This Letter of Credit sets forth in full the terms of our obligation to you and such undertakings shall not in any way be modified or amplified by any agreement to which this letter relates, and any such reference shall not be deemed to incorporate herein by reference, any agreement.

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:


Jeffrey J. Taylor
Vice President

JJT:mh

DEPOSITS INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION

Maryland Bank & Trust

Company, N.A. BOOK 0013 PAGE 0077

POST OFFICE BOX 248 WALDORF, MARYLAND 20604-0248

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

EXHIBIT C (2 of 2)

August 13, 2001

St. Mary's County Metropolitan Commission
43990 Commerce Ave
Hollywood MD 20636

Re: IRREVOCABLE LETTER OF CREDIT NO 647
Fees and Charges
Meadow Lake Subdivision Phase 2
Meadow Lake, LLC

Dear Sir:

We hereby authorize you or your transferee to draw on us at sight up to an aggregate amount of Fifty Four Thousand One Hundred Twenty and 00/100 dollars (US\$54,120.00) to insure payment of the Water & Sewer Charges and Fees 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 August 13, 2002.

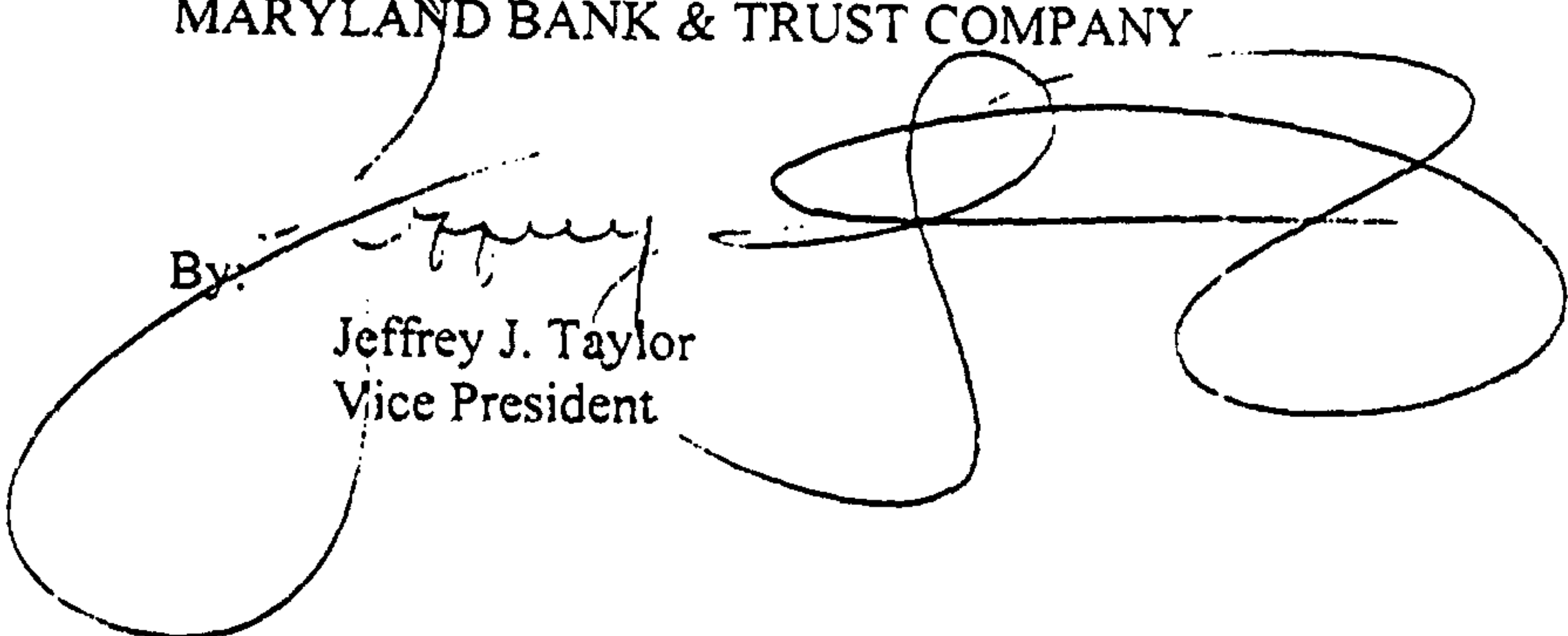
This Letter of Credit sets forth in full the terms of our obligation to you and such undertakings shall not in any way be modified or amplified by any agreement to which this letter relates, and any such reference shall not be deemed to incorporate herein by reference, any agreement.

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:


Jeffrey J. Taylor
Vice President

JJT:mh

DEPOSITS INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION

NOKLEBY SURVEYING, INC.

469258 SHANGRI-LA DRIVE, S., LEXINGTON PARK, MARYLAND
P.O. Box 736
Lexington Park, Maryland 20653
Phone (301) 862-3135
Fax (301) 862-4360

May 31, 2001
Job Number: 42-12-28

EXHIBIT E

BOOK 0013 PAGE 0078

A DESCRIPTION OF PARCEL C - PUMP STATION
MEADOW LAKE SUBDIVISION, PHASE 2
EIGHTH ELECTION DISTRICT
ST. MARY'S COUNTY, MARYLAND

BEGINNING FOR THE SAME at a point on the right-of-way line of Columbine Place, a forty (40) foot right-of-way. The same being the most easterly corner of Lot 79, Phase 2, Meadow Lake Subdivision, as recorded or intended to be recorded among the Land/Plat Records of St. Mary's County, Maryland. The same also being the most southerly corner of the herein described.

Thence leaving the beginning point so fixed, leaving Columbine Place and running with Lot 79;

1. N 27 - 45 - 31 E, 120.00 feet to a point being common to the boundary of Parcel "B", "Open Space" of the above described Meadow Lake Subdivision.

Thence leaving Lot 79 and running with Parcel "B" the following two (2) courses and distances;

2. S 50 - 03 - 14 E, 69.67 feet to a point, thence
3. S 52 - 08 - 01 W, 120.00 feet to a point being located on the above described Columbine Place.

Thence leaving Parcel "B" and running with Columbine Place with the arc of the curve to the left having a radius of 45.00 feet, an arc length of 19.14 and a long chord of;

4. N 50 - 03 - 17 W, 19.00 feet to the point and place of beginning and containing 0.1191 acres of land, more or less.

AFFORESTRATION AREA

Ma

N01°49'43"W

Parcel "B"
Open Space
10.42 Acre

Temporary Grading
Easement

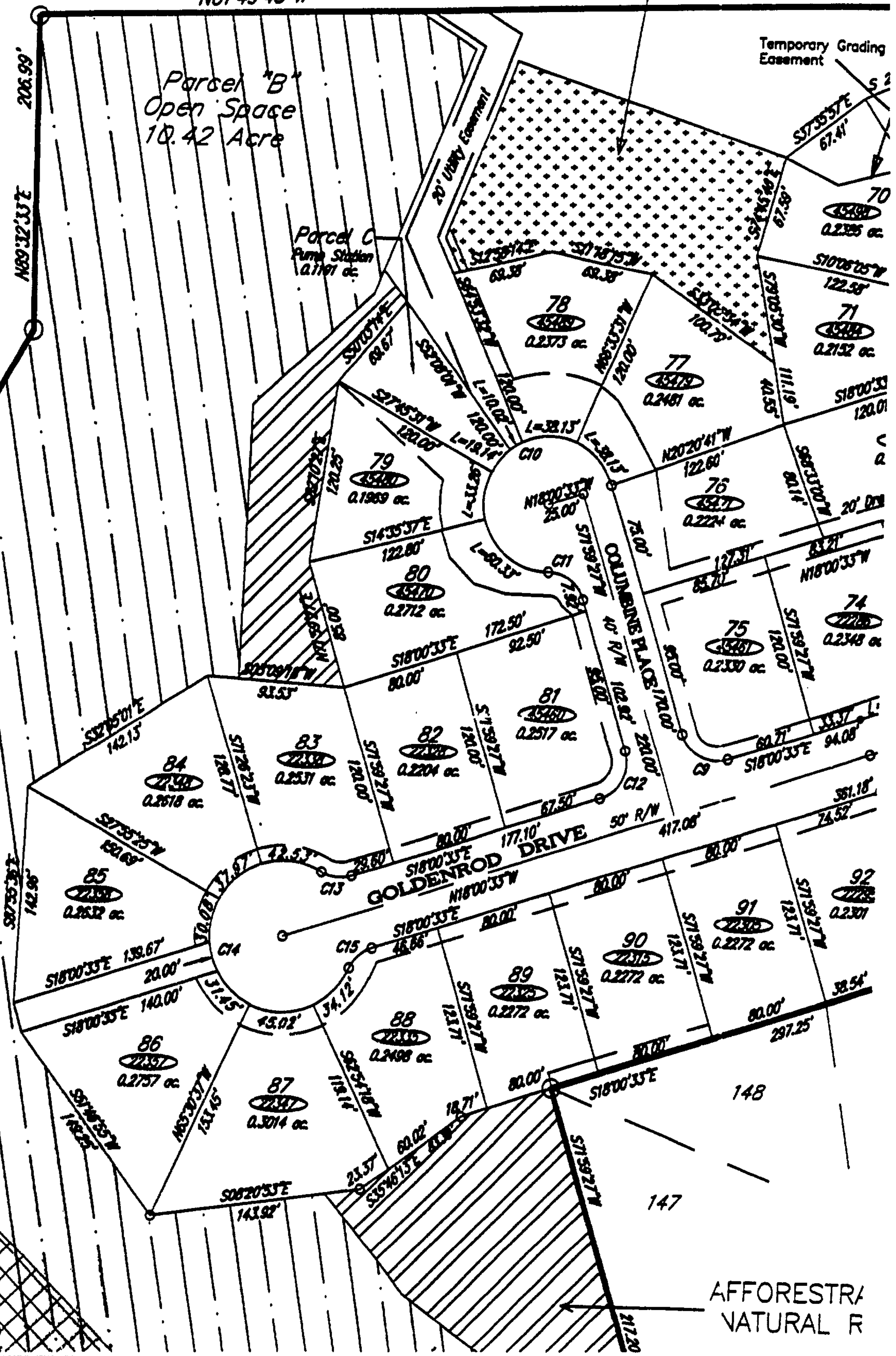
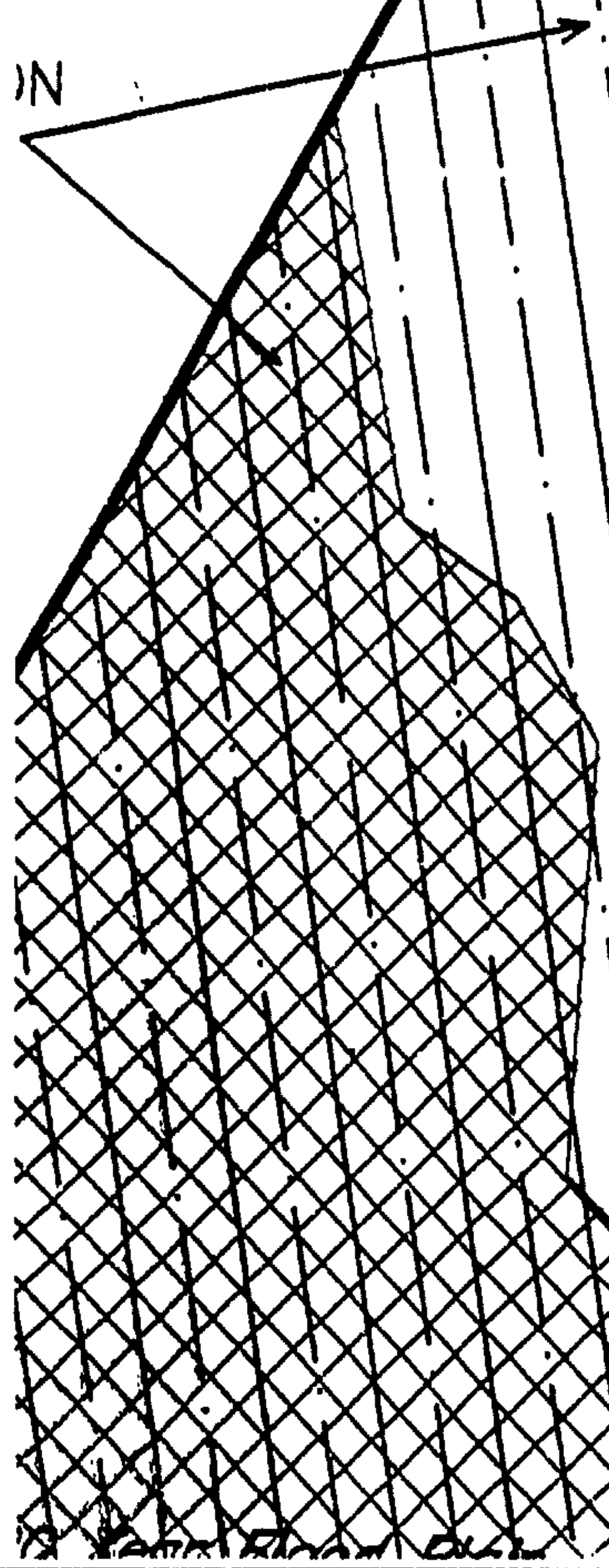
Parcel C
Pump Station
0.1701 ac.

200

obry
7
1.5
ial

755.50'

IN



AFFORESTRATION
NATURAL R

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 4 day of November 2001, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"), Essex South Builders, Inc., (hereinafter, the "Developer"), O'Brian Home Sales, (hereinafter, the "Owner") and Maryland Bank and Trust Co., (hereinafter, the "Lender #1", Letter of Credit holder),

RECORDING FEE 0.00
 TOTAL 0.00
 Res#SM03 Rcpt#999999
 EHA CSS Bk#255
 Oct 08, 2002 11:25 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 Children's Wellness Center, 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 \$ 66,385.00 conditioned that the Developer shall well and truly perform and fulfill the covenants, conditions and terms of this Agreement, and shall assure payment for all materials utilized and work performed, all of which shall remain in force until the expiration of the warranty period as set forth in Paragraph EIGHTH.

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

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

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

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

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

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

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

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

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

SIXTH: Developer shall pay the following fees and charges:

Review Fees: \$150.00 based upon _____ per residential lot, or EDU and \$75.00 per commercial lot or EDU, payable upon execution of this Agreement. This Charge reflects the currently approved rate and is subject to change.

Inspection Charges: \$2,323.50 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. This Charge reflects the currently approved rate and is subject to change.

Connection Charges: \$130.05 based upon 1" Meter per connection payable upon execution of this Agreement or at the time a connection permit is issued. This Charge reflects the currently approved rate and is subject to change.

Sewer Benefit Assessment Charge: \$29.60 per month based upon N/A per EDU per month, or \$2.45 per front foot per year based on 146 front feet, payment beginning at the time capacity allocation is made (Planning Commission approval or service is made available, whichever occurs first). This Charge reflects the currently approved rate and is subject to change.

Sewer Service Charge: \$37.08 per month based upon \$18.54 per month per EDU beginning when the service is utilized. This Service Charge reflects the currently approved rate and is subject to change.

Water Service Charge: \$20.04 per month based upon _____ 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.* This Charge reflects the currently approved rate and is subject to change.

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

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

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

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

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

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

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

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

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

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

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

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

WITNESS the hands and seals of the parties hereto, this 8 day of November 20 01

.ATTEST:

ST.MARY'S COUNTY METROPOLITAN

COMMISSION

L. Bryan

Secretary

ATTEST:

By: *Bryan M. Barthelme*

Bryan M. Barthelme
~~Valentine L. Johnson, Sr.~~
Chairman

DEVELOPER: *Essex South Builders, Inc*

By: *Thomas B. Watts*
Thomas B. Watts, President

PROPERTY OWNER: *O'Brian Home Sales*

By: *Michael P. O'Brien, President*
O'Brian Home Sales
Michael P. O'Brien

LENDER #1: *Maryland Bank & Trust Co.*

By: *Jeffrey Taylor*
Maryland Bank and Trust Co.
Jeffrey Taylor

LENDER #2

By: _____

EXHIBITS:

A
B
C

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 8th day of November 2001

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

WITNESS my hand and Notarial Seal

Lo Bryan Notary Public

My Commission Expires: 2/1/2004.

*(DEVELOPER)STATE OF

Maryland

COUNTY OF

St. Mary's

to wit:

I HEREBY CERTIFY that on this 18th day of October, 2001 before

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

WITNESS my hand and Notarial Seal.

Brenda J. Huff Notary Public

My Commission Expires: 03/01/05

(OWNER) STATE OF Maryland
COUNTY OF St Marys to wit:

I HEREBY CERTIFY that on this 18th day of October, 2001 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared MICHAEL P. O'BRIEN and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Nichole Canby Lee Stone Notary Public

My Commission Expires: **NICHOLE CANBY LEE STONE
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires August 19, 2002**

(LENDER #1)
STATE OF Md
COUNTY OF St Mary's to wit:

I HEREBY CERTIFY that on this 19 day of October, 2001 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Jeffrey Taylor 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.

Valerie L. Budner Notary Public

My Commission Expires: **Valerie L. Budner
Notary Public State of Maryland
My Commission Expires May 1, 2002**

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: DMB

(Initials)

Developer: JBW

(Initials)

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: BMB

(Initials)

Developer: REW.

(Initials)

Maryland Bank & Trust C
Company, N.A. BOOK 0013 PAGE 0095

POST OFFICE BOX 248 WALDORF, MARYLAND 20604-0248

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

October 19, 2001

St. Mary's County Metropolitan Commission
43990 Commerce Ave
Hollywood MD 20636

Re: IRREVOCABLE LETTER OF CREDIT NO 652
Water & Sewer Construction
Children's Wellness Center
Essex South Builders, Inc

Dear Sir:

We hereby authorize you or your transferee to draw on us at sight up to an aggregate amount of Sixty Six Thousand Three Hundred Eighty Five and 00/100 dollars (US\$66,385.00) to insure compliance with the Water & Sewer Construction Agreement by and between Essex South Builders, Inc 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 October 19, 2003.

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

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 13 day of November 1997, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"),

Glengariff, LLP, (hereinafter, the "Developer"),

R. Welch, (hereinafter, the "Owner") and

, (hereinafter, the "Lender #1"),

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

RECORDING FEE 0.00
TOTAL 0.00
Res#SM03 Rcpt#999999
EMA KEB BK#882

WITNESSETH

WHEREAS, the Commission is responsible for all water and sewerage projects in the First (1st) 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 Shannon Run Dublin Court Extension, 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 C , payable to the Commission, its successors and assigns, in an amount of \$ 32,340.00 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 "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: \$1,132.00 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: \$312.00 based upon \$78.00

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

Water Service Charge: \$40.32 per month based upon

\$10.08 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 upon the first of the following to occur:

1. Issuance of a Connection Permit, or
2. Sale of an individual lot or lots, or
3. 365th day after the execution of this Agreement.

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

facilities that utilize the public water system, payable upon the first of the following to occur:

1. Issuance of a Connection Permit, or
2. Sale of an individual lot or lots, or
3. 365th day after the execution of this Agreement.

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 13 day of Nov 1997

ATTEST:

ST. MARY'S COUNTY METROPOLITAN
COMMISSION

[Signature]

By: [Signature]
Francis L. Williams, Chairman

Secretary

Chairman

ATTEST:

DEVELOPER Glengariff, LLP

[Signature]

By: [Signature]
Glengariff, LLP

By: R. Welch

PROPERTY OWNER

By: [Signature]
~~Glengariff, LLP~~

~~By:~~ R. Welch

LENDER #1

By: [Signature]

LENDER #2

The First National Bank of St. Mary's

By: [Signature]
L. F. Gray, Jr., Ass't. Vice Pres.

[Signature]

EXHIBITS: _____

(COMMISSION)

STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 13th day of November 19 97

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

Francis I. Williams Chairman of the St. Mary's

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

WITNESS my hand and Notarial Seal

Lillian G. 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 6th day of October, 19 97 before me,

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

Robert L. Welch and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Robert L. Welch

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 6th day of October, 19 97 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Robert L. Welch and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Theresa J. Welch

Notary Public

My Commission Expires: 7-1-99

(LENDER #1)

STATE OF _____

COUNTY OF _____ to wit:

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

WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires: _____

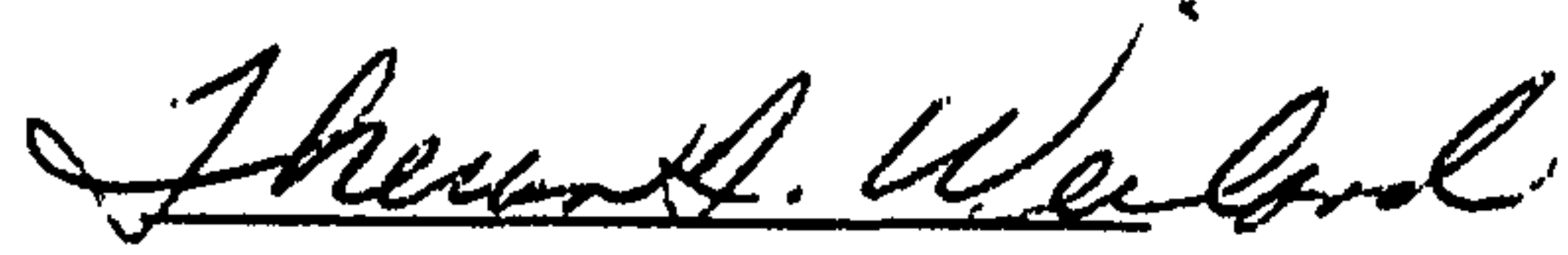
(LENDER #2)

STATE OF Maryland

COUNTY OF St. Mary's to wit:

I HEREBY CERTIFY that on this 6th day of October, 1997 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared L. F. Gray, Jr. and that he/she/they acknowledged the execution of the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.



Notary Public

My Commission Expires: 7-1-99

EXHIBIT A
STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Shannon Run
TOTAL # OF PHASES: One
DEVELOPER: Glengariff, LLP

PHASE I:

PLAT REF: MRB 116/196 # LOTS TO BE SERVED: 4
PROJECTED CONSTRUCTION START DATE: 11/01/97
PROJECTED CONSTRUCTION COMPLETION DATE: 02/28/98

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 September 23, 1997.

COMMISSION PARTICIPATION: NONE

*The facilities listed also include FOR WATER PUMPING STATION: Wells, pumps, controls, generators, chlorinators, compressors, meters, valves, interior and exterior piping and appurtenances, together with all sites on which they are situated and 20' access to the same; FOR WATER STORAGE TANKS: Elevated storage tanks, standpipes, ground storage tanks, hydropneumatic tanks and surge tanks as required by the Commission, together with all sites on which they are situated and 20' access to the same: FOR DISTRIBUTION SYSTEMS: Mains, fire hydrants, valves and valve boxes, fittings, blow offs, water house connections, water house service lines, curb stops, curb stop boxes, water meter settings and appurtenances, together with 20' permanent easements over the same for maintenance and modifications of and connection to these facilities; along with any and all other facilities or

PUBLIC WORKS AGREEMENT

THIS PUBLIC WORKS AGREEMENT, executed this 9 day of

Oct 1997, by and between the ST, MARY'S COUNTY METROPOLITAN COMMISSION (hereinafter, the "Commission"),

Potomac Land, LTD (hereinafter, the "Developer"),

Charles S. Kimball (hereinafter, the "Owner") and

Maryland Bank & Trust (hereinafter, the "Lender #1", Letter of

Credit holder),

RECORDING FEE 0.00
TOTAL 0.00
Res#SM03 Rcpt#999999
EWA KE3 BIK#882

WITNESSETH

WHEREAS, the Commission is responsible for all water and sewerage projects in the Fifth (5th) 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 24, 2002 10:00 am

WHEREAS, the Developer is developing the Property situated within said Sanitary District of St. Mary's County, Maryland, known and further described as Potomac Beach, 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 \$ 68,365.00 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 _____, for the period of construction of the Facilities, and for the period of the required warrantee as set forth herein.

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

SIXTH: Developer shall pay the following fees and charges:

Review Fees: \$1950.00 based upon \$75.00 per residential lot, or EDU and N/A per commercial lot or EDU, payable upon execution of this Agreement.

Inspection Charges: \$2392.00 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: \$2288.00 based upon \$88.00 per connection payable upon execution of this Agreement or at the time a connection permit is issued.

Debt Service Charge: \$247.52 per month based upon \$9.52 per EDU per month, or n/a per front foot per year based on n/a front feet, payment beginning at the time capacity allocation is made (Planning Commission approval or service is made available, whichever occurs first).

Sewer Service Charge: \$340.08 per month based upon \$13.08 per month per EDU beginning when the service is utilized. This Service Charge reflects the currently approved rate and is subject to change.

Water Service Charge: \$265.20 per month based upon \$10.20 per month per meter for service and n/a per month per meter for Ready-to-Serve charge, beginning when the service is utilized. The meter will be read on a quarterly basis with an allowance of 18,000 gallons per quarter. \$1.70/1,000 gallons will be charged over the 18,000 gallon limit. This Service Charge reflects the currently approved rate and is subject to change.

Water Supply Fees: \$250.00 per EDU for development without supply

(wells) that utilize the public water system, payable as set forth below:

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

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

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

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

* If this option is selected, a bond in the amount of 110% of the amount due (\$20,020.00) 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 9 day of Oct 19 97

.ATTEST:

ST.MARY'S COUNTY METROPOLITAN COMMISSION

Steven J. King

Secretary

BY: Francis L. Williams

Francis L. Williams
Chairman

ATTEST:

DEVELOPER Potomac Land, LTD

Joseph G. Sankage

BY: Charles S. Kimball, Pres
Charles S. Kimball, President

PROPERTY OWNER

BY: Charles S. Kimball, Pres
Charles S. Kimball, ~~President~~

LENDER #1

Joseph G. Sankage

MARYLAND BANK & TRUST CO., N. A.
BY: James R. Taylor
X PRESIDENT & CEO

EXHIBITS: _____

(COMMISSION)STATE OF MARYLAND

COUNTY OF ST. MARY'S,

to wit:

I HEREBY CERTIFY that on this 9th day of October 1997

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

Francis L. Williams Chairman of the St. Mary's

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

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

Commission.

WITNESS my hand and Notarial Seal

Laetitia G. Bryan Notary Public

My Commission Expires: 02/01/00

(DEVELOPER)STATE OF

md

COUNTY OF

St Mary's to wit:

I HEREBY CERTIFY that on this 6 day of October, 1997 before me,

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

Charles S. Kimball and that he/she/they acknowledged the foregoing Public Works

Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Valerie L. Buckner Notary Public

My Commission Expires: NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires May 23, 1998

(OWNER)STATE OF md

COUNTY OF St Mary's to wit:

I HEREBY CERTIFY that on this 6 day of October, 1997 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared Charles S. Kimball and that he/she/they acknowledged the foregoing Public Works Agreement to be his/her/their act.

WITNESS my hand and Notarial Seal.

Valerie L. Buckner Notary Public

My Commission Expires: **VALERIE L. BUCKNER
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires May 23, 1998**

(LENDER #1)

STATE OF md

COUNTY OF St Mary's to wit:

I HEREBY CERTIFY that on this 6 day of October, 1997 before me, the subscriber, a Notary Public in the county aforesaid, personally appeared James R. Taylor 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.

Valerie L. Buckner Notary Public

My Commission Expires: **VALERIE L. BUCKNER
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires May 23, 1998**

EXHIBIT A

STATEMENT OF
PROPOSED WATER FACILITIES
AND PHASING

PROJECT NAME: Potomac Beach

TOTAL # OF PHASES: One

DEVELOPER: Potomac Land Ltd

PHASE I:

PLAT REF: EWA 812/1 # LOTS TO BE SERVED: 26

PROJECTED CONSTRUCTION START DATE: 10/15/97

PROJECTED CONSTRUCTION COMPLETION DATE: 10/15/98

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 10/7/97

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,

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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: CSK
(Initials)

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EXHIBIT B

STATEMENT OF
PROPOSED SEWER FACILITIES
AND PHASING

PROJECT NAME: Potomac Beach
TOTAL # OF PHASES: One
DEVELOPER: Potomac Land Ltd

PHASE I:

PLAT REF: EWA 812/1 # LOTS TO BE SERVED: 26

PROJECTED CONSTRUCTION START DATE: 10/15/97

PROJECTED CONSTRUCTION COMPLETION DATE: 10/15/98

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 10/7/97.

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

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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: JW
(Initials)

Developer: CCK
(Initials)

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