

EFFECTIVE DATE: \_\_\_\_\_

A RESOLUTION concerning

**CERTAIN LAND TRANSACTIONS RELATED TO  
THE RESORT AT BRETON BAY PROJECT**

FOR the purpose of approving, or authorizing the approval of, and the execution and delivery on behalf of the Town of certain documents relating to, certain land transactions to be entered into by the Town in connection with The Resort at Breton Bay project, including the acquisition by the Town from the State of Maryland of the project site, the placing by the Town of a Deed of Easement for the benefit of the Maryland Historical Trust on the project site, the leasing of the project site by the Town to Leonardtown Recreation, Inc. pursuant to a Ground Lease, the granting by Leonardtown Recreation, Inc. of a Leasehold Deed of Trust on its interest in the project site in order to secure its obligations with respect to certain bonds to be issued by the Maryland Economic Development Corporation to finance a portion of the costs of the project; the acquisition by the Town of unencumbered fee simple title to the project site and all improvements and certain personal property located thereon or therein upon the discharge of such bonds, and the entry by the Town into an option agreement with the Maryland Economic Development Corporation pursuant to which such entity shall have the option to acquire an undivided 50% interest in all property acquired by the Town in connection with the discharge of such bonds; authorizing and empowering officials, officers and employees of the Town to take any and all actions necessary or appropriate in connection with such land transactions; and generally providing for and determining various matters and details in connection with the land transactions relating to The Resort at Breton Bay project.

RECITALS

The Commissioners of Leonardtown (the "Town") has created Leonardtown Recreation, Inc., a Maryland non-profit, non-stock corporation and an instrumentality of the Town (the "Corporation"), in order to facilitate the design, development, acquisition, construction, improvement, furnishing and equipping, and the operation, of (i) an 18-hole public golf course, with a clubhouse and related amenities, and (ii) a hotel and conference center containing approximately 255 guest rooms and 25,000 square feet of meeting space, with related amenities and recreational facilities (collectively, the "Project"). The Project will be located on approximately 238.95 acres of land within the corporate boundaries of the Town (the "Project Site"). The Project Site consists of Parcels A through F identified on the plat of subdivision for Tudor Hall Farm recorded among the Land Records of St. Mary's County, Maryland in Liber E.W.A. 49, Folio 15. The Project, together with the Project Site, is hereinafter referred to as the "Property". The Property will be open to the public and will serve the public purpose of (i) relieving conditions of unemployment in the State and the Town, (ii) encouraging the increase of industry and commerce and a balanced economy in the State and the Town, (iii) retaining existing industry and commerce and attracting new industry and commerce in the State and the Town, (iv) promoting economic development in the State and the Town, and (v) generally promoting the health, recreation, welfare and safety of the residents of the State and the Town.

The Property will be financed as follows: the State of Maryland (the "State"), acting through the Department of Natural Resources, will appropriate approximately \$2,500,000 in order to acquire the Project Site. The Maryland Economic Development Corporation, a body politic and

corporate and a public instrumentality of the State ("MEDCO"), has agreed to issue two series of its senior revenue bonds, one tax-exempt and the other taxable, and a series of its subordinate revenue bonds (collectively, the "MEDCO Bonds"), in order to finance a portion of the costs of the Project, including the establishment of debt service reserve funds for the two series of senior revenue bonds, capitalized interest on the two series of senior revenue bonds, an operating reserve fund, start-up working capital and costs of issuance. The State, through the Department of Business and Economic Development ("DBED"), will provide to the Corporation a \$2,000,000 grant and a \$1,000,000 loan from the Maryland Industrial and Commercial Redevelopment Fund ("MICRF") to finance project costs. The \$1,000,000 MICRF loan will be evidenced by the subordinate revenue bond to be issued by MEDCO. The Town, pursuant to Resolution No. 99-3, adopted by the Council and approved by the Mayor on December 13, 1999 ("Resolution No. 99-3"), has agreed to issue a general obligation bond anticipation note in aggregate principal amount not to exceed \$3,250,000 in order to provide a \$3,000,000 contribution to the costs of the Project, to pay capitalized interest on the note and to pay costs of issuance of the note. The two series of senior revenue bonds will be underwritten by Ferris, Baker Watts, Incorporated and will be offered only to institutional investors.

It is anticipated that the two senior series of MEDCO Bonds will be issued in the approximate principal amounts of \$60,060,000 (Series A) and \$4,740,000 (Series B), respectively. It is anticipated that the Series A MEDCO Bonds will mature approximately 30 years from their date of issuance and that the Series B MEDCO Bonds will mature approximately 10 years from their date of issuance.

The State will transfer fee simple title to the Project Site to the Town by gift or for nominal consideration. Certain areas of the Property have substantial historic, aesthetic, scenic and cultural character, and the Maryland Historical Trust, an instrumentality of the State ("MHT"), has required that the Town enter into a Deed of Easement with MHT in order to provide for the preservation and maintenance of such areas and the Property's historic, aesthetic, scenic and cultural character.

Pursuant to a Ground Lease, the Town will lease the Project Site to the Corporation for a term extending five years beyond the latest maturity of the MEDCO Bonds, subject to certain extension rights contained therein upon a default relating to the MEDCO Bonds, and subject to earlier termination upon the discharge of the MEDCO Bonds. The leasing of the Project Site to the Corporation is for a public purpose. MEDCO and the Corporation will enter into a Loan Agreement pursuant to which MEDCO will loan the proceeds of the MEDCO Bonds to the Corporation; pursuant to the Loan Agreement, the Corporation will execute and deliver certain notes to the Trustee (defined below) as the assignee of MEDCO in order to evidence its obligations to make payments with respect to the MEDCO Bonds. The MEDCO Bonds will be issued pursuant to a Trust Indenture between MEDCO and Allfirst Trust Company, National Association, as trustee (the "Trustee").

In order to secure the Corporation's obligations under the Loan Agreement, it is anticipated that the Corporation will grant a Leasehold Deed of Trust on its leasehold interest in the Project Site and its fee simple interest in the improvements located thereon and a security interest in the personal property located thereon or therein to MEDCO and its assigns, including the Trustee, for the benefit of the holders of the MEDCO Bonds. In the event the Corporation grants a Leasehold Deed of Trust on the Project Site and the improvements and collateral located thereon or therein as described in the preceding sentence, the Ground Lease may contain certain limitations on the purchasers qualified to acquire the Corporation's interest in the Project Site and the Project at foreclosure sale. If a Leasehold Deed of Trust is placed upon the Project Site, then upon expiration

or termination of the Ground Lease, the Town shall receive unencumbered fee simple title to the Project Site and all improvements located thereon, as well as all personal property of the Corporation located thereon or therein. In the event of a default under the Loan Agreement, the Trust Indenture or the Leasehold Deed of Trust, the Corporation (as determined by the Trustee and the MEDCO Bond holders) may lose the right to continue to occupy the Property for the remaining term of the Ground Lease.

As a condition to its participation in the financing of the Property, the State has required that upon discharge of the MEDCO Bonds and any Additional Bonds issued pursuant to the Trust Indenture, MEDCO shall have the option to acquire a 50% undivided interest in (i) the Project Site and all improvements located thereon and (ii) all personal property of the Corporation located thereon or therein (the "Option").

Potential purchasers of the MEDCO Bonds have indicated that they want a fee simple deed of trust placed upon the Project Site and the improvements and collateral located thereon or therein in order to secure payment of the MEDCO Bonds. The placing of a fee simple deed of trust or similar instrument on the Project Site and the improvements and collateral located thereon or therein (a "Mortgage") would require the consent of the Town, MEDCO and the State. If the Project Site and the improvements and collateral located thereon or therein were to be sold at foreclosure sale pursuant to a Mortgage, neither the Town nor MEDCO (pursuant to the Option) would be entitled to receive any interest therein upon discharge of the MEDCO Bonds.

THE MEDCO BONDS, TOGETHER WITH INTEREST THEREON, SHALL BE LIMITED OBLIGATIONS OF MEDCO GIVING RISE TO NO PECUNIARY LIABILITY OF MEDCO, SHALL BE SOLELY PAYABLE FROM THE TRUST ESTATE PROVIDED FOR IN THE TRUST INDENTURE, AND SHALL BE A VALID CLAIM OF THE RESPECTIVE HOLDERS THEREOF ONLY AGAINST THE TRUST ESTATE. NEITHER THE MEDCO BONDS NOR THE INTEREST THEREON NOR THE REDEMPTION PRICE THEREOF SHALL EVER (I) CONSTITUTE AN INDEBTEDNESS OR A CHARGE AGAINST THE GENERAL FAITH OR CREDIT OR TAXING POWERS OF THE STATE, ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, INCLUDING THE TOWN, MEDCO OR ANY OTHER PUBLIC BODY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR CHARTER PROVISION OR STATUTORY LIMITATION (MEDCO HAS NO TAXING POWER) OR (II) GIVE RISE TO ANY PECUNIARY LIABILITY OF THE STATE, ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, INCLUDING THE TOWN, OR ANY OTHER PUBLIC BODY (OTHER THAN MEDCO). THE PECUNIARY LIABILITY OF MEDCO FOR THE PRINCIPAL AND REDEMPTION PRICE OF AND INTEREST ON THE MEDCO BONDS IS LIMITED SOLELY TO THE TRUST ESTATE. THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE TOWN ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE MEDCO BONDS. THE OBLIGATIONS OF THE CORPORATION UNDER THE LOAN AGREEMENT ARE PAYABLE SOLELY FROM THE TRUST ESTATE. THE ISSUANCE OF THE MEDCO BONDS IS NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY AN OBLIGATION, MORAL OR OTHER, OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE TOWN, TO LEVY OR PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

By adoption of this Resolution, the Council desires to approve certain land transactions relating to the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE COMMISSIONERS OF LEONARDTOWN, THAT:

SECTION 1. Pursuant to the provisions of Section 1201 of the Charter of the Town of Leonardtown, as published in Municipal Charters of Maryland, Volume 5, 1990 Replacement Edition, as replaced, supplemented or amended, the Council hereby approves the acquisition of the Project Site from the State, the granting by the Town to MHT of the Deed of Easement, the leasing of the Project Site to the Corporation pursuant to the provisions of the Ground Lease, the granting of the Leasehold Deed of Trust by the Borrower to secure the payment of the principal of, premium, if any, and interest on the MEDCO Bonds, the acquisition by the Town upon discharge of the MEDCO Bonds and any Additional Bonds issued pursuant to the Trust Indenture of unencumbered fee simple title to the Project Site and all improvements located thereon, as well as all personal property of the Corporation located thereon or therein, and the granting by the Town to MEDCO of the Option, as described in the recitals to this Resolution, which are incorporated by reference herein and deemed a substantive part of this Resolution. The Council hereby finds and determines that such land transactions and the financing of the Property as described in the recitals to this Resolution will serve the public purpose of assisting in (a) relieving conditions of unemployment in the State and the Town; (b) encouraging the increase of industry and commerce and a balanced economy in the State and the Town; (c) retaining existing industry and commerce and attracting new industry and commerce in the State and the Town; (d) promoting economic development in the State and the Town; and (e) generally promoting the health, recreation, welfare and safety of the residents of the State and the Town. The Corporation is an instrumentality of the Town and the Town's leasing of the Project Site to the Corporation pursuant to the Ground Lease is for a public purpose and for a public use; the Property will be open to the public.

SECTION 2. The Council hereby approves the acquisition by the Town from the State of the Project Site by gift or for nominal consideration pursuant to the provisions of a deed or any other appropriate instrument of conveyance (the "Conveyance Instrument"). The Mayor, on behalf of the Town, is hereby authorized to negotiate, approve, execute and deliver the Conveyance Instrument with respect to the Project Site, with such provisions not inconsistent with the provisions of this Resolution as the Mayor shall approve with the advice of the Town Administrator, such approval to be evidenced conclusively by the Mayor's execution and delivery of the Conveyance Instrument.

SECTION 3. The Council hereby approves the provisions of, and ratifies and confirms the Mayor's execution and delivery on behalf of the Town of, the Deed of Easement attached hereto as Exhibit A.

SECTION 4. The Council hereby approves the leasing of the Project Site by the Town to the Corporation pursuant to the provisions of the Ground Lease, the substantially final form of which has been provided to the Town Administrator on behalf of the Town. The Mayor, on behalf of the Town, is hereby authorized to execute and deliver the Ground Lease, substantially in the form provided to the Town Administrator, with such changes, deletions, additions and insertions not inconsistent with the provisions of this Resolution as the Mayor shall approve with the advice of the Town Administrator (including, without limitation, to reflect the placing of a fee simple Mortgage on the Project Site and the improvements and collateral located thereon and therein, if

such fee simple Mortgage is authorized as contemplated in Section 5 of this Resolution), such approval to be evidenced conclusively by the Mayor's execution and delivery of the Ground Lease.

**SECTION 5.** The Council hereby approves the granting by the Corporation of a lien on its interest in the Project Site and the improvements and collateral located thereon or therein pursuant to the provisions of the Leasehold Deed of Trust, the substantially final form of which has been provided to the Town Administrator on behalf of the Town. The Corporation is hereby authorized to execute and deliver the Leasehold Deed of Trust in substantially the form provided to the Town Administrator on behalf of the Town, with such changes, deletions, additions and insertions not inconsistent with the provisions of this Resolution as the Mayor shall approve with the advice of the Town Administrator, such approval to be evidenced conclusively by the Mayor's execution and delivery of the Ground Lease contemporaneously with the Corporation's execution and delivery of the Leasehold Deed of Trust. If so required by any parties involved in the financing of the Property, the Town may be made a party to the Leasehold Deed of Trust and the Mayor is hereby authorized to provide for the Town's becoming a party to the Leasehold Deed of Trust in accordance with the provisions of the preceding sentence.

Notwithstanding the foregoing provisions of this Section 5, the Council hereby acknowledges that potential investors have requested that a fee simple Mortgage be placed upon the Project Site and the improvements and collateral located thereon or therein. In the event the Council by ordinance, and MEDCO and the State (acting through DBED or any other appropriate State department or agency), consent to the granting of a fee simple Mortgage, references in this Resolution to the Leasehold Deed of Trust shall be null and void, but for explanatory purposes shall be construed to mean the Mortgage, to the extent applicable.

**SECTION 6.** The Council hereby approves the granting of the Option to MEDCO pursuant to the provisions of an option agreement or similar instrument (the "Option Instrument"). The Mayor, on behalf of the Town, is hereby authorized to negotiate, approve, execute and deliver the Option Instrument relating to the Option, with such provisions not inconsistent with the provisions of this Resolution as the Mayor shall approve with the advice of the Town Administrator, such approval to be evidenced conclusively by the Mayor's execution and delivery of the Option Instrument.

**SECTION 7.** The Mayor, the Town Administrator, the Clerk-Treasurer and all other officials, officers and employees of the Town are hereby authorized and empowered to take any and all actions necessary or appropriate (including, without limitation, expending municipal funds in connection with the land transactions described herein and providing for the recordation of any documents, certificates or instruments authorized by this Resolution), and to negotiate, approve, execute and deliver, as applicable, on behalf of the Town, all documents, certificates or instruments deemed necessary or appropriate, in connection with the land transactions to be entered into in connection with the issuance, sale and delivery of the MEDCO Bonds, including without limitation, instruments containing (i) any easements or restrictive covenants required by the State in connection with the transfer of the Project Site to the Town and (ii) any easements or similar rights deemed necessary for ingress and egress to and from the Project Site or for public improvements or utilities to be furnished in connection with the Project.

[CONTINUED ON NEXT PAGE]

SECTION 8. This Resolution shall become effective immediately upon its adoption by the Council and its approval by the Mayor.

THE COMMISSIONERS OF LEONARDTOWN

(SEAL)

Ruth W. Proffitt  
Ruth W. Proffitt, Vice-President

ATTEST:

Susan H. Erichsen  
Susan H. Erichsen, Councilmember

Teresa Saulen  
Teresa Saulen  
Town Secretary

Charles R. Faunce  
Charles R. Faunce, Councilmember

Walter R. Gillette  
Walter R. Gillette, Councilmember

\_\_\_\_\_  
Walter Wise, Councilmember

Introduced: 12/17/99, \_\_\_\_

Adopted: 12/17/99, \_\_\_\_

Approved by the Mayor this 17<sup>th</sup> day of December, 1999

J. Harry Norris, III  
J. Harry Norris, III, Mayor

Effective: 12/17/99, \_\_\_\_

#31701.2:10007.004:12/17/99:05

**EXHIBIT A**

**FORM OF DEED OF EASEMENT**

**DEED OF EASEMENT**

**THIS DEED OF EASEMENT**, made as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the COMMISSIONERS OF LEONARDTOWN, MARYLAND, a body corporate and politic of the State of Maryland (the "Grantor"), and the MARYLAND HISTORICAL TRUST, an instrumentality of the State of Maryland (the "Grantee").

**WHEREAS**, Grantee is a body corporate and an instrumentality of the State of Maryland created for the purpose generally of preserving and maintaining historic, aesthetic and cultural properties, all as is more particularly provided for by law; and

**WHEREAS**, the real property as hereinafter described (the "Property") has substantial historic, aesthetic and cultural character and this Deed of Easement (this "Deed") will promote the preservation and maintenance of the Property and its historic, cultural, scenic and aesthetic character; and

**WHEREAS**, the Property possesses areas of archeological or historic significance which are documented in a preliminary Phase II Archeological Survey of The Tudor Hall Village Development, St. Mary's County, Maryland, prepared by R. Christopher Goodwin Associates, Inc., dated April 9, 1998 (the "Evaluation"); and

**WHEREAS**, the Evaluation identified three (3) specific archeological sites as more particularly hereinafter described (the "Restricted Areas"); and

**WHEREAS**, Grantor desires and intends to preserve and protect the Restricted Areas in perpetuity; and

**WHEREAS**, Grantee is possessed with the power and duty to accept, hold and administer this Deed; and

**WHEREAS**, Grantee has determined that this Deed is exclusively for conservation purposes.

**NOW, THEREFORE**, in consideration of the foregoing recitals, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grantor hereby grants and conveys to Grantee with Special Warranty of Title an easement (the "Easement") in the Property, which is further described as all of that certain parcel of land known as Parcel A as shown on that certain plat of subdivision for Tudor Hall Farm recorded among the Land Records of St. Mary's County, Maryland in Liber E.W.A. 49, Folio 15 (the "Property"), together with all of the improvements thereon, and appurtenances, rights and interests thereunto belonging, which is situate, lying and being in St. Mary's County, State of Maryland.



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2. Exhibit A attached hereto and incorporated herein, consists of 4 pages which identify the specific locations of the Restricted Areas on the Property.

3. The terms of the Easement are as follows:

(A) Duration and Nature of the Easement. The Easement shall be perpetual in duration. The parties agree that it is and shall be considered an easement in gross and as such is inheritable and assignable and runs with the land as an incorporeal property interest in the Property enforceable by Grantee and its successors, transferees and assigns with respect to the Property and against Grantor and Grantor's heirs, successors, transferees and assigns, all of whom are collectively referred to herein as "Grantee" and "Grantor", respectively. The Easement is subject to any and all presently existing valid encumbrances, easements and rights-of-way upon the Property.

(B) No Public Access. Grantor shall have no obligation to make the Restricted Areas on the Property open to the public.

(C) Changes and Alterations.

(i) Without the express written consent of the Director of the Maryland Historical Trust (the "Director"), Grantor shall not cause, permit or suffer any construction or alteration of the Restricted Areas.

(ii) The term construction shall include all construction, reconstruction, improvement, enlargement, painting and decorating, alteration, demolition, maintenance or repair of any structure or works.

(D) Archeological Resources.

(i) Without the express written consent of the Director, Grantor may not cause, permit or suffer any grading, excavation, plowing, subsoiling, drainage improvement, or other undertaking that would materially disturb the surface or subsurface of the Property. The Grantee's consent, if given, may be conditioned upon requirements such as the modification or relocation of the undertaking in order to avoid, reduce, or mitigate the impact on archeological deposits, or the performance of data recovery, excavation, curation, documentation, and reporting of the affected deposits. Grantor shall ensure that the Grantee's requirements are carried out in conformance with Grantee's Standards and Guidelines for Archeological Investigations in Maryland (1994), as revised or amended from time to time (the "Guidelines"), a copy of which is available at the offices of the Grantee, and in a form and substance satisfactory to the Grantee.

(ii) Without the express written consent of the Director, no field investigation, archeological exploration, artifact collection or recovery operation may be conducted on the Property. Any field investigations, explorations, artifact collection, or recovery operations conducted pursuant to the Grantee's approval shall be carried out in consultation with

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the Grantee and in a manner to ensure that the maximum amount of historic, scientific, archeological, and educational information may be recovered and preserved in addition to recovery of the artifacts. Any investigation shall be conducted under the immediate supervision of a qualified professional archeological with training or experience acceptable to the Grantee and shall conform to the Guidelines and the requirements of the Grantee's approval.

(iii) Grantor shall notify Grantee if Grantor proposes to recover or permit recovery of artifacts from the Property, and shall deposit the artifacts and a Deed of Gift for the artifacts and related documentation, including field notes and reports, with the Grantee pursuant to Maryland law (Article 83B, Section 5-618, Annotated Code of Maryland). Any deed of gift may provide that, upon mutual written agreement, some or all of the artifacts may remain in the possession of the Grantor for purposes of research, conservation or display. Should the Grantor in possession of such artifacts cease to exist, or for any reason become unwilling to remain in possession of such artifacts, or should the Grantee, in the Grantee's sole discretion, determine that the Grantor is using such artifacts for purposes other than research, conservation, and display, then the right to possession shall become vested in the Grantee without further action by Grantor, and the Grantor shall immediately surrender control over all such artifacts to Grantee or Grantee's authorized representative and cause such artifacts to be placed in the possession of Grantee or Grantee's representative.

(E) Reasonable Use and Enjoyment. Grantor reserves the right to make any lawful use of the Property, including the Restricted Areas, that is not inconsistent with this Easement.

(F) Inspection. Grantee shall have the right to enter the Property on reasonable notice to Grantor for the purpose of inspecting the Property to determine whether there is compliance by the Grantor with the terms of this Easement.

(G) Breach by Grantor. Upon any breach of the terms of the Easement by Grantor, Grantee may, after reasonable notice to Grantor, exercise any or all of the following remedies:

(i) institute suit(s) to enjoin any breach or enforce any covenant by ex parte, temporary and/or permanent injunction;

(ii) demand that the Property be restored promptly to the condition required by the Easement; and

(iii) enter upon the Property, correct any breach, and hold Grantor responsible for the resulting cost.

Grantee's remedies shall be cumulative and shall be in addition to any other rights and remedies available to Grantee at law or equity. If Grantor is found to have breached any of

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Grantor's obligations under the Easement, Grantor shall reimburse Grantee for any costs or expenses incurred by Grantee, including court costs and reasonable attorneys fees.

(H) Waiver. No waiver of any term or condition of the Easement shall have any force or effect unless it be in writing and approved by the parties hereto. No failure on the part of Grantee to enforce any covenant or provision herein, nor the waiver of any right thereunder by Grantee shall discharge or invalidate such covenant or provision or any other covenant, condition or provision hereof, or affect the right of Grantee to enforce the same in the event of a subsequent breach or default.

(I) Consent, Disapproval and Appeal. In any event where the terms of the Easement require the consent of the Director, such consent shall be requested by notice to the Director and consent shall be deemed to have been given within forty-five (45) days after receipt of notice by the Director unless the Director gives notice to the Grantor of specific reason for disapproval. In any event where the Director gives such notice of disapproval, Grantor may appeal the disapproval to the Board of Trustees of the Maryland Historical Trust for review by it or by such person or agency as may be designated by it to make such review. Appeal shall be made by notice to the Director given within forty-five (45) days of receipt of notice of disapproval from the Director.

(J) Notice. Any notice required to be given by the Easement shall be in writing and may be given by certified or registered mail, with postage prepaid and return receipt requested, if to the Grantor, addressed to the Grantor as follows:

Mayor  
Commissioners of Leonardtown  
41680 Tudor Place  
P.O. Box 1  
Leonardtown, Maryland 20650

or to the Grantor at such other address as the Grantor may from time to time designate by notice to the Director, or, if to the Grantee or the Director, addressed to the Grantee or Director as follows:

Director  
Maryland Historical Trust  
100 Community Place  
Crownsville, Maryland 21032-2023

or to the Grantee or the Director at such other address as the Director may from time to time designate by notice to the Grantor. Any notice given in the foregoing manner shall be deemed to have been given upon receipt thereof, which shall be presumed to be two (2) days after the day notice has been deposited with the United States Post Office.

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(K) Construction. The Easement is for the purpose of promoting and shall be construed to promote the purposes of the statutes creating and governing Grantee and of Section 2-118 of the Real Property Article of the Annotated Code of Maryland and to preserve the historic, cultural, scenic and aesthetic character of the Property.

(L) Subsequent Conveyance. Grantor agrees that the restrictions of the Easement will be inserted, verbatim or by express reference, in any subsequent deed or other legal instrument by which the Grantor's fee simple title to the Property or any other possessory interest in the Property, or any part thereof, is divested or conveyed.

(M) Transfer of Ownership. The Grantor agrees for itself, its personal representatives, heirs, successors, transferees and assigns, to notify the Grantee in writing of the names and addresses of any party to whom the Property, or any part thereof, is being transferred before or within forty-five (45) days of the time the transfer is consummated.

(N) Conservation Purposes. Grantee agrees that it will hold this Deed exclusively for conservation purposes, i.e., that it will not transfer this Deed whether or not for consideration. However, subject to the provisions of any applicable federal law, Grantee may assign or transfer its interest in this Deed to a governmental unit or organization which qualifies at the time of the transfer as an eligible donee of this Deed under any pertinent provisions of federal law.

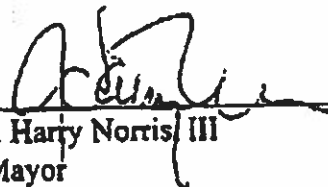
(O) Counterparts. This Deed may be executed in any number of counterparts and each such counterpart shall be deemed to be an original, but all of which shall constitute one and the same instrument.

WITNESS the following signatures and seals.

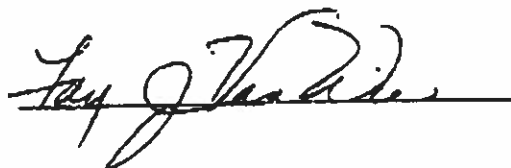
WITNESS:

\_\_\_\_\_

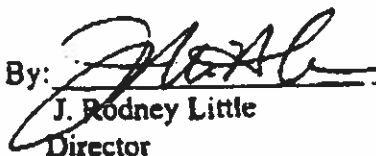
GRANTOR:  
COMMISSIONERS OF  
LEONARDTOWN, MARYLAND

By:  (SEAL)  
J. Harry Norris III  
Mayor

WITNESS:



ACCEPTED BY THE MARYLAND  
HISTORICAL TRUST

By:  (SEAL)  
J. Rodney Little  
Director

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STATE OF MARYLAND, St. Mary's CITY/COUNTY, to wit:

I HEREBY CERTIFY, that on this 13 day of December, 1999, before the subscriber, personally appeared J. HARRY NORRIS, III, who acknowledged that he executed the foregoing instrument for the purposes therein contained as the duly authorized Mayor of The Commissioners of Leonardtown, Maryland.

Teresa A. Saulen  
Notary Public

My Commission Expires:

**TERESA A. SAULEN**  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires May 1, 2003

TERESA A. SAULEN  
NOTARY PUBLIC STATE OF MARYLAND

STATE OF MARYLAND, St. Mary's CITY/COUNTY, to wit:

I HEREBY CERTIFY, that on this 7th day of December, 1999, before the subscriber, personally appeared J. RODNEY LITTLE, who acknowledged that he executed the foregoing instrument for the purposes therein contained as the duly authorized Director of the Maryland Historical Trust.

Thelma A. Radcliffe  
Notary Public

My Commission Expires:

**THELMA A. RADCLIFFE**  
Notary Public  
Anne Arundel Co., MD  
My Comm. Exps. Jan. 17, 2000

Approved as to form and legal sufficiency this 7<sup>th</sup> day of December, 1999.

Philip J. Deters  
Assistant Attorney General

**CERTIFICATION**

The undersigned hereby certifies that this instrument has been prepared by or under the supervision of Philip J. Deters and that I am an attorney admitted to practice before the Court of Appeals of Maryland.

Philip J. Deters (SEAL)  
Philip J. Deters

EXHIBIT A

The three (3) Restricted Areas, as identified in the Evaluation, are:

1. 18ST670 (Locus 2 only)
2. 18ST676 (only to the extent that this site within the Property)
3. 18ST677

EXHIBIT A

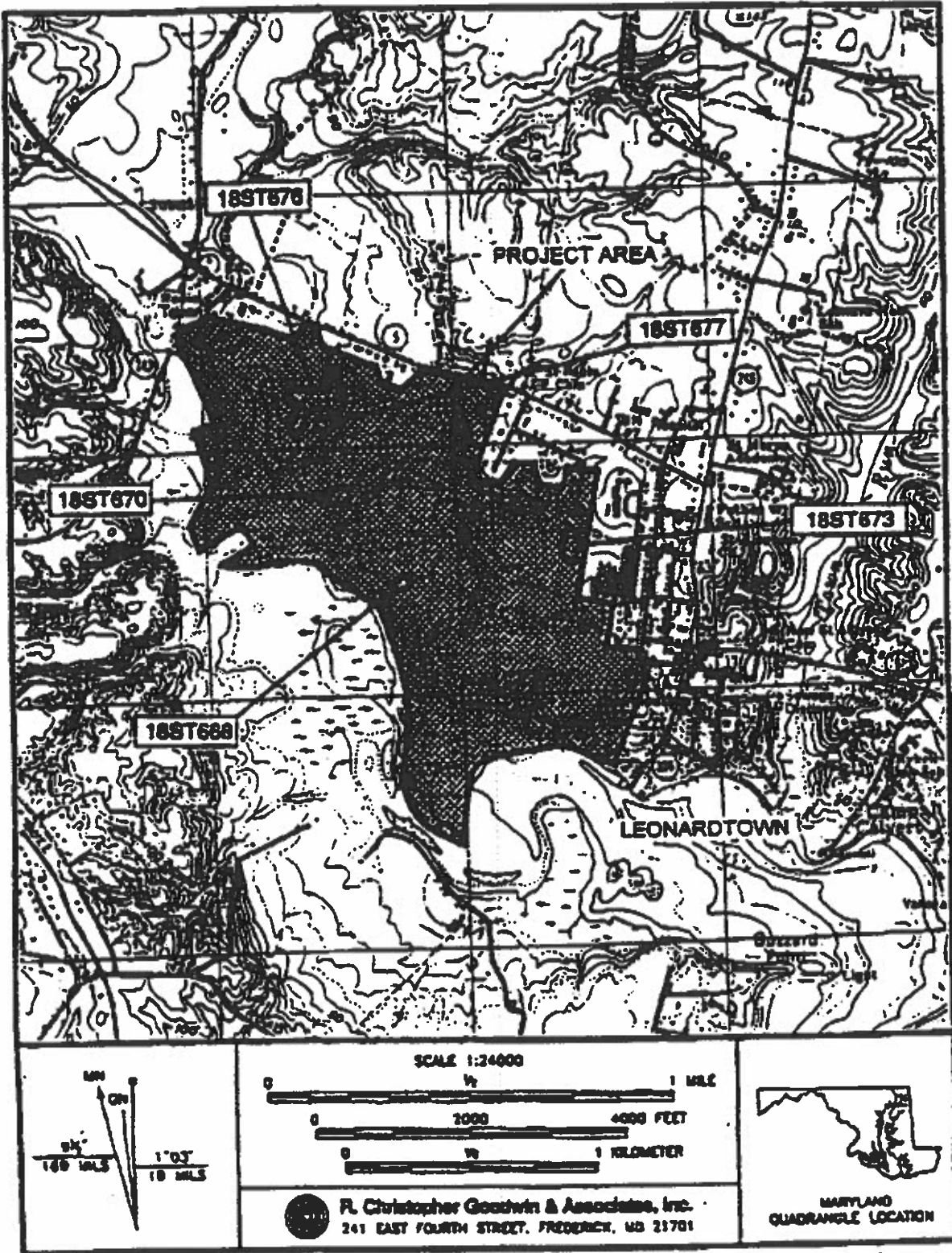


Figure 2. Excerpt from the 1984 photorevised Leonardtown, Maryland 7.5' USGS quadrangle, showing the location of Phase II sites

EXHIBIT A

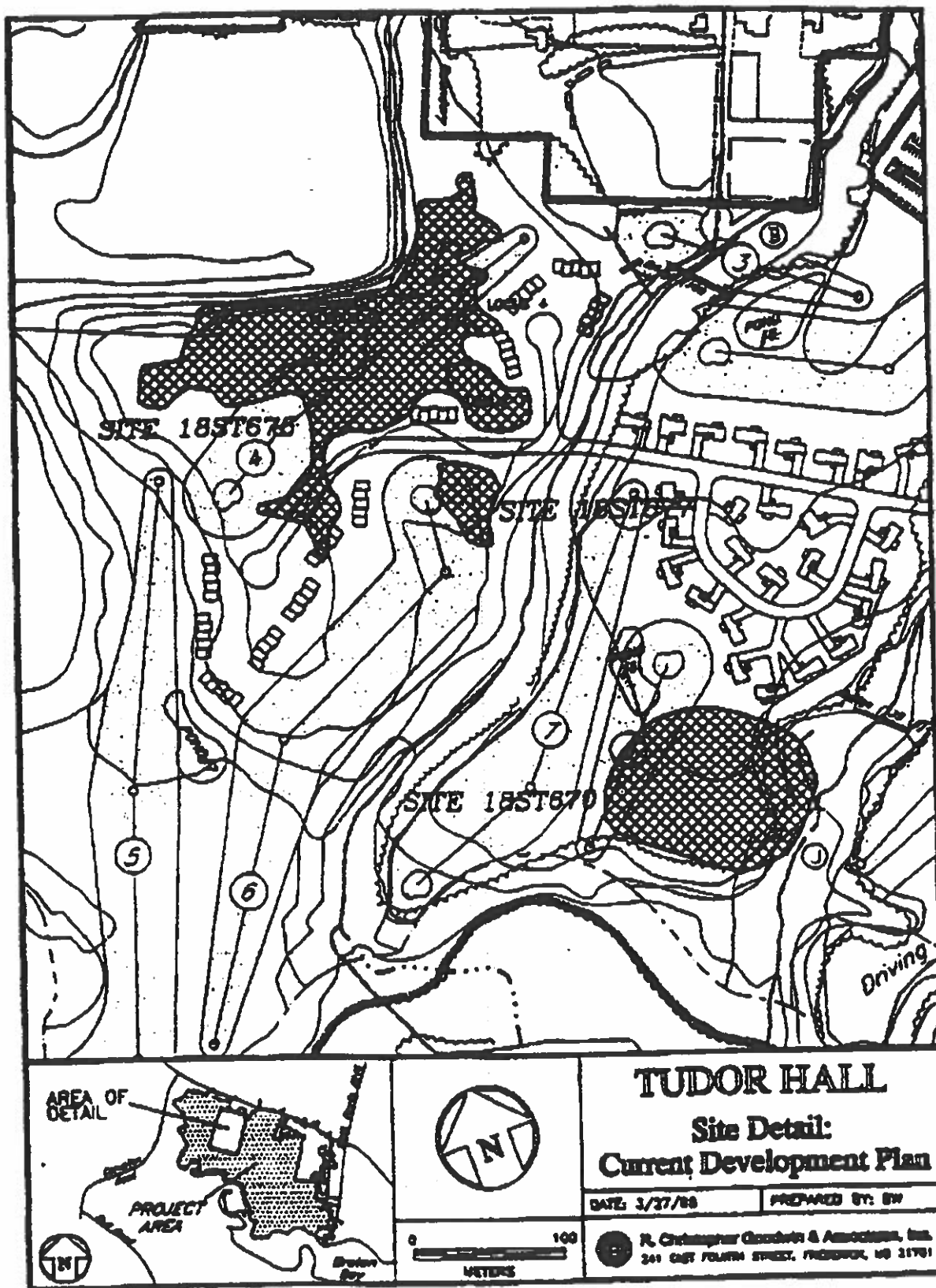
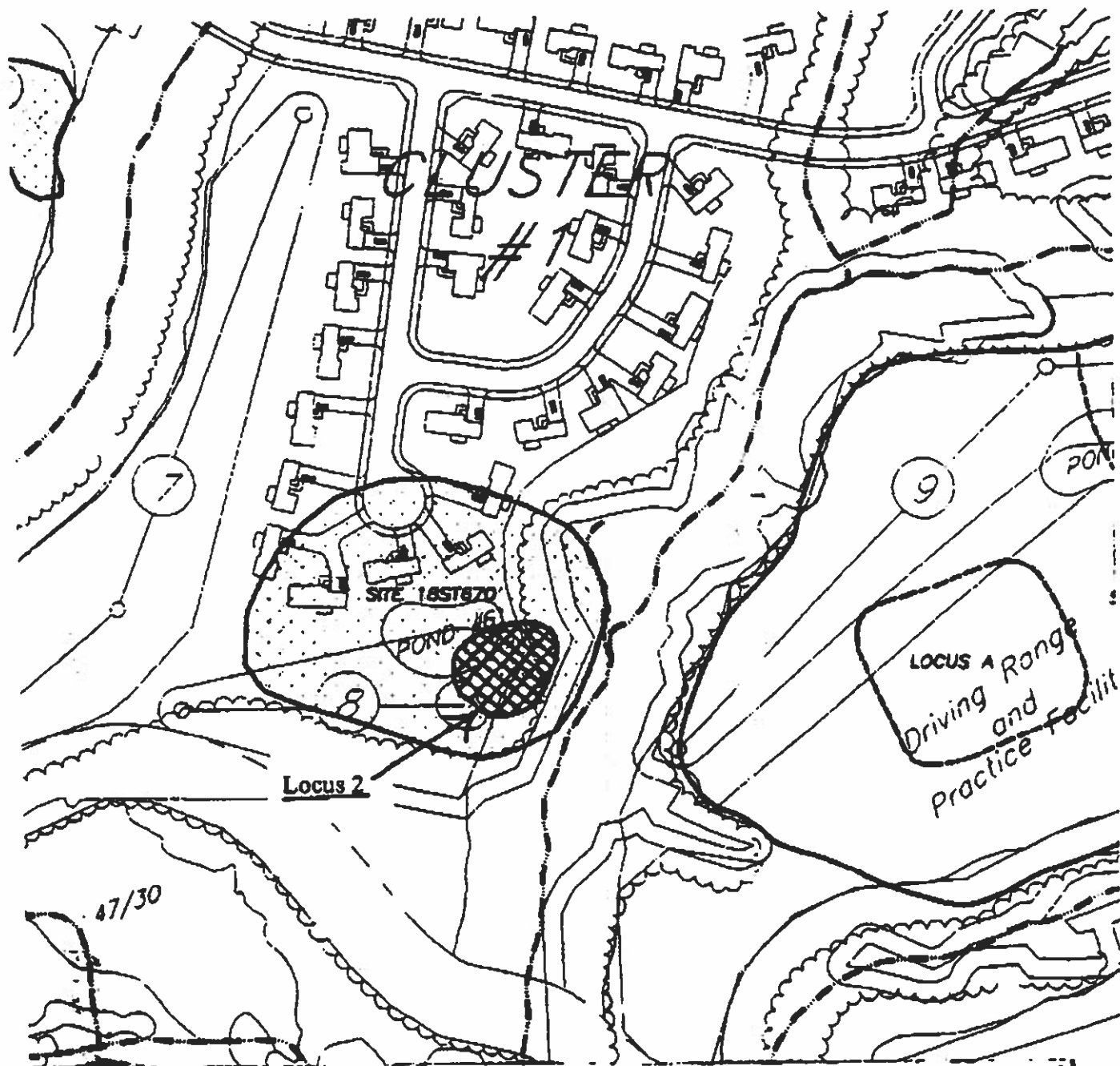


Figure 50. Sites 1851670, 1851676 & 1851677 with Most Recent Development Plans



EXHIBIT A



Locus 2 of Site 18ST670