

[Execution Copy]

LAND DEVELOPMENT AGREEMENT
(Village Crossing at Campo Bello)

THIS LAND DEVELOPMENT AGREEMENT (together with all modifications and amendments, the “Agreement”) made this 14th day of September, 2026, by the **Board of County Commissioners of Allegany County, Maryland**, a body corporate and politic of the State of Maryland, (the “County”) and **D.R. Horton, Inc.**, a Delaware corporation (the “Developer”). The Effective Date means the latest of the following dates: (a) the date this Agreement is executed by Developer at the Division level (“Local Execution Date”), the date this Agreement is executed by the County, or (c) the date of Developer’s ratification, as required by Section 34 below.

RECITALS:

WHEREAS, the County owns and the Developer proposes to develop a 11.87 acre piece of property, identified as Allegany County Tax Parcel No. 06-005659, located within Cumberland, Allegany County, Maryland, in accordance with a proposed subdivision and/or land development, to include a minimum of 21 single family detached Lots and 44 single family attached Lots, known as “Village Crossing at Camp Bello” or the “Tract” or the “Property”.

WHEREAS, the County placed a request for proposals in April, 2023, seeking to partner with a developer for the purposes of developing the site of the old Allegany High School into market-rate housing. Developer was selected by the County as the exclusive developer of residential improvements on the Tract, and has submitted proposed land development plans for the Development.

WHEREAS, the County intends to complete the Infrastructure Improvements and Sitework as defined herein, and to record a subdivision plat creating lots on the Tract for residential improvement (the “Lots”) being more particularly described and depicted on that certain concept plan titled Village Crossing at Campo Bello dated February 2025, and prepared by The EADS Group (the “Concept Plan”), a copy of which is more particularly set forth on **Exhibit “A”** attached hereto and incorporated herein by reference. Each and every Lot on the Tract is to be conveyed to Developer on the terms set forth in this Agreement, and legally created, upon recordation in the Land Records of Allegany County, by a final plat of subdivision (“Final Plat”) to be approved by the City of Cumberland, Maryland (the “Governing Jurisdiction”).

WHEREAS, the County is authorized to sell, lease, convey, transfer or otherwise dispose of the Tract by virtue of that certain motion duly carried by the County Commissioners of Allegany County, Maryland, which authorized the County’s sale, conveyance, and disposition of the Tract to Developer, which action was unanimously approved by the Board of County Commissioners on April 3, 2025, and in accordance with the Code of Allegany County, Maryland.

WHEREAS, an initial draft Agreement was locally signed by Developer and signed by

the County on April 3, 2025 (the “Initial Draft Agreement”); however, the Initial Draft Agreement was not fully-executed and ratified by Developer within the 30-day period set forth therein.

WHEREAS, the County and Developer now desire to modify certain terms set forth in the Initial Draft Agreement to further clarify the rights and obligations of each party, and to otherwise set forth their agreement and understanding with respect to the foregoing and such other matters as hereinbelow set forth.

NOW, THEREFORE, the parties hereunto, in consideration of the premises and the mutual promises herein contained and intending to be legally bound hereby, agree as follows:

1. **Definitions; Interpretation.**

A. For purposes of this Agreement, except where the context clearly indicates otherwise, the following words and phrases (including the singular and plural forms thereof) shall have the following meanings:

(1) “Tract” shall mean all that certain 11.87 acre tract identified as “11.87A Sedwick St, Allegany HS” and more particularly by its Allegany County Tax Parcel No. 06-005659, located within Cumberland, Allegany County, Maryland, and which is more fully and further shown and described on the Plans.

(2) “Construction Plans” shall mean a complete set of construction plans submitted to the Governing Jurisdiction including but not limited to the site plan, traffic plan, water and sewer plan, grading plan and drainage plan.

(3) “Subdivision Plans” or “Plans” shall mean collectively, the Final Plat and the Construction Plans.

(4) “Subject Land Development” or “Project” shall mean the proposed land development of the Tract into market-rate housing, together with new streets, roads and utilities to serve the same and such other Improvements, as hereinafter defined, proposed or required in, on and/or related to the Subject Land Development, as the same are more fully depicted on the Subdivision Plans.

(5) “Infrastructure Improvements and Sitework” shall mean all those streets, roads, walkways, curbs, gutters, street lights, fire hydrants, water mains, sanitary sewers, storm drains and sewers, storm water detention and/or retention basins and other related drainage facilities, as the same are more fully shown, identified or otherwise described on and by the Subdivision Plans.

(6) “Residential Improvements” shall mean the residential housing units and improvements to residential lots (exclusive of the Infrastructure Improvements and Sitework), as the same are more fully shown, identified or otherwise described on and by the Subdivision Plans.

(7) **RESERVED.**

(8) “Substantial Completion Date” shall mean the date specified in Section 3.A of this Agreement on or before which the Infrastructure Improvements and Sitework shall be completed.

(9) **RESERVED.**

(10) **RESERVED.**

(11) **RESERVED.**

(12) “Land Development Code” shall mean the City of Cumberland Code of Ordinances and the Code of Allegany County, Maryland, as applicable, and as have been amended and now exist and as hereafter may be amended.

(13) “County Engineer” shall mean the professional engineer, licensed as such in the State of Maryland, duly appointed and employed as the engineer for the County or engaged by the County as a consultant thereto.

(14) **RESERVED.**

2. **Earnest Money; Contingencies**

A. **Earnest Money.**

(i) Within ten (10) business days of the Effective Date, the parties shall execute an escrow agreement in form substantially as shown by **Exhibit “B”** attached hereto and incorporated herein (the “Escrow Agreement”) whereupon Developer shall deposit the sum of ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00) (the “Initial Deposit”) with Residential Title & Escrow Company Commercial Settlement Services, LLC (“Escrow Agent”). The Escrow Agent shall deposit such cash in an escrow account with a federally insured bank, as required by the Escrow Agreement. Developer shall determine, at Developer’s sole and absolute discretion, whether the escrow account shall be interest-bearing; however, any interest earned on any funds held in escrow shall be for the benefit of Developer.

(ii) Provided County is not in default hereunder, if Developer delivers to County a Notice of Suitability, as provided in Section 6 below, then no later than ten (10) business days following Developer’s issuance of Notice of Suitability, Developer shall deposit with Escrow Agent a Promissory Note made payable to County in the form of **Exhibit “I”** attached hereto and incorporated herein and in the face amount of Two Hundred Thousand Dollars (\$200,000.00) (the “Additional Earnest Money”). The Earnest Money shall be credited against the portion of the Purchase Price payable at each “Closing” (as defined in Section 3(B) below) and as further identified, and in such amounts specified in the schedule set forth on Exhibit C-1 (the “Earnest Money Credit Closing Schedule”). Developer may, from time to time at its option, substitute with the Escrow Agent a new Promissory Note in such reduced amount of the Earnest Money outstanding hereunder, and upon such substitution the prior Promissory Note shall be returned to Developer marked “CANCELLED,” dated and executed by County. If the Promissory Note held as Additional Earnest Money, or any portion thereof, is converted to cash, the Escrow Agent shall deposit such cash in an escrow account with a federally insured bank, as required by

the Escrow Agreement. Developer shall determine, at Developer's sole and absolute discretion, whether the escrow account shall be interest-bearing; however, any interest earned on any funds held in escrow shall be for the benefit of Developer. An electronically scanned and transmitted copy of any Promissory Note executed by Developer pursuant to this Section shall be binding on Developer as if it were the original instrument, and the Escrow Agent is hereby authorized to accept such copy as the Earnest Money hereunder.

(iii) The Initial Deposit, the Additional Earnest Money, any additions thereto and any proceeds thereof, together with all earnings thereon, shall be collectively referred to herein as the "Earnest Money." Escrow Agent shall hold and disburse the Earnest Money pursuant to the terms of this Agreement and the Escrow Agreement. Upon the request of either party, the other party shall promptly execute and deliver written instructions to the Escrow Agent to disburse the Earnest Money as required by this Agreement. Developer shall determine, at Developer's sole and absolute discretion, whether the escrow account shall be interest-bearing; however, any interest earned on any funds held in escrow shall be for the benefit of Developer. In the event the Escrow Agent is obligated to deliver all or any portion of the Earnest Money to County, then Escrow Agent shall first give Developer seven (7) business days' notice of Escrow Agent's intention to do so. If Developer fails to deliver all or any portion of the Earnest Money as required herein, and such failure continues for a period of ten (10) days after written notice from County, then either party may terminate this Agreement by written notice to the other at any time prior to the deposit of the Earnest Money. If this Agreement is so terminated, this Agreement shall be deemed to have terminated as of the date that the Earnest Money was originally to have been delivered by Developer, and there shall be no remedy hereunder to either County or Developer other than the termination of this Agreement.

(iv) If this Agreement is not sooner terminated, the Earnest Money shall be returned to Developer at Closing on the last Lot to be purchased hereunder, or as otherwise provided herein.

B. Preliminary Condition to Developer's Performance. Developer's performance of any of its obligations hereunder is contingent upon satisfaction of the following condition (the "Preliminary Condition"): County shall have delivered to Developer a copy of County's owner's policy of title insurance, insuring County's ownership interest in the Tract as fee simple title, and copies of all recorded plats of the Project and the Lots subject to no exceptions or conditions other than the Permitted Exceptions.

C. Conditions to Developer's Obligation to Close. Developer's obligation to close on the purchase of Lots under this Agreement is contingent upon satisfaction of all of the following conditions (collectively, the "Conditions to Closing") as and when they apply to the Lots being purchased at the applicable Closing:

(i) all of County's warranties and representations contained in this Agreement shall be and remain true, correct and complete and fully performed as of the Effective Date and through the applicable Closing;

(ii) all of the Infrastructure Improvements and Sitework, shall have been

completed by the County in accordance with this Agreement;

- (iii) a Final Plat showing the Lots as separately existing parcels of land shall have been approved by the City of Cumberland, Maryland (the “City” or “Governing Jurisdiction”) and recorded in the land records of the Circuit Court for Allegany County;
- (iv) there shall have occurred no material adverse change in the physical, financial or legal condition of the Lots being purchased at the time of the applicable closing from the condition existing as of the Effective Date, subject to the terms and conditions of the Agreement.
- (v) The County shall deliver good and marketable title to the Lots to Developer as provided in Section 4 below, and the Title Company shall be unconditionally prepared to issue a standard ALTA owner’s form title insurance policy insuring good and marketable fee simple title to the Lots with a liability limit in the amount of the current assessed value of the Lot(s) established by the City, plus 10% of such assessed value, at standard premium rates;
- (vi) there shall be no development preconditions according to the City to the issuance of a building permit for the construction of single-family residences on the Lots being purchased as of the applicable Closing, including installation of all wet and dry utilities and base paving;
- (vii) in the event Developer shall require assignment of declarant’s rights, and/or any other documents, amendments, restatements, rights, duties or privileges, pursuant to, under, or arising from the “Declaration” (defined below) or with regard to the “HOA” (defined below), the County shall deliver, in a form acceptable to Developer in Developer’s discretion, any and all documents necessary or required to assign such declarant rights or grant, amend, provide, or otherwise provide such other rights to developer that Developer deems necessary or required, in Developer’s sole discretion, for Developer to construct the Residential Improvements (collectively, the “Assignment of Declarant’s Rights”), and the declaration for the homeowners’ association, and any amendment or assignment required by Developer as referenced in this Subsection 2.C.(7) shall have been recorded in the office of the county clerk or recorded among the Land Records of Allegany County, Maryland;
- (viii) there shall be no development preconditions according to the City or County to the issuance of certificates of occupancy for single-family residences on the Lots to be purchased other than construction of such residences in accordance with applicable

building permits and codes;

(ix) any approvals from homeowners associations or architectural review boards necessary for Developer to construct Developer's intended products on the Lots shall have been received;

(x) the Lots to be purchased must meet all of the Development Specifications (as defined in Section 8 below);

(xi) County shall have provided to Developer detailed, and to the extent reasonably obtainable, certified reports describing how the improvements existing on the Property were demolished and providing certified evidence that all debris resulting from the demolition was disposed of consistent with the manner described in the demolition plans; and

(xii) Developer shall have received at least two (2) building permits to construct residential improvement on the Lot(s).

3. **Ownership of Tract; Notice of Compliance; Substantial Completion Date, Takedown of Lots; Permitted Closing Days; Dedication of Infrastructure Improvements and Sitework.**

A. **Notice of Compliance; Substantial Completion Date.** Upon satisfaction of all of the Conditions to Closing, County shall send written notice to Developer that all of the Conditions to Closing have been met with regard to all of the Lots to be purchased at the applicable Closing (the "Notice of Compliance") together with such evidence of verification as may be reasonably requested by Developer. The date County delivers such Notice of Compliance in accordance with this Agreement shall be the "Substantial Completion Date." County shall use County's commercially reasonable efforts to cause all of the Conditions to Closing to be met with regard to all of the Lots by April 1, 2026. The "**Substantial Completion Date**" shall be the later of (1) the date that Developer shall have received the Notice of Compliance, or (2) if Developer objects that any Conditions to Closing have been met, the date that such matters have been satisfied. If County has not caused all Lots to meet the Conditions to Closing by April 30, 2026, Developer shall have the right, at Developer's sole and absolute discretion, (a) to waive in writing any Condition to Closing, (b) to terminate this Agreement by giving written notice to County and receive an immediate full refund of the Earnest Money, (c) to notify County of which Lots, if any, upon which Developer shall proceed to Closing, or (d) to extend the time to allow all of the Conditions to Closing to be met at a specified period of time, in which event the Closing Schedule shall be adjusted to a date mutually acceptable to Developer and County. If any of the Conditions to Closing remain unsatisfied at the end of any such extension period, then Developer may, upon written notice to County: (a) waive in writing any Condition to Closing, (b) terminate this Agreement by giving written notice to County and receive an immediate full refund of the Earnest Money, (c) delete any Lots that do not meet all of the Conditions to Closing from this Agreement and proceed to close on Lots that do meet all of the Conditions to Closing, or (d) again extend

the time for County to cause all of the Conditions to Closing to be met at a specified period of time, in which event the Closing Schedule shall be adjusted accordingly, provided that the total of all such extension periods shall not exceed two (2) years. The Developer's extension of the time for County's performance pursuant to any of the above shall not constitute an election of remedies and shall not prohibit Developer's exercise of Developer's other remedies at law or in equity. County and Developer agree to cooperate and work in good faith to satisfy the Conditions of Closing. County agrees to cooperate with Developer to obtain any approvals from any governmental agency or the homeowners association or otherwise in order for Developer to be permitted to construct the Residential Improvements on the Lots.

B. Takedown of Lots. Closings on the purchase and sale of Lots (each, a "Closing", and collectively, the "Closings") shall take place according to the schedule set forth on **Exhibit C** (the "Closing Schedule"). The first such Closing is referred to herein as the "Initial Closing." Developer shall be entitled to select the Lots it will purchase at each Closing. At least five (5) business days prior to each Closing, Developer shall notify County which Lots it desires to purchase at that Closing. All Closings shall take place at the offices of, or via escrow through Residential Title & Escrow Company Commercial Settlement Services, LLC (the "Escrow Agent"). County shall deliver possession of the applicable Lots at Closing. Developer may purchase Lots ahead of the schedule set forth on **Exhibit C**, and County shall deliver Lots to Developer as needed; provided, however, Developer's rights to acquire Lots ahead of the Closing Schedule, shall be subject to the following restrictions: (i) no more than twenty-five (25) Lots may be conveyed at any one (1) Closing; and (ii) not less than ninety (90) days shall elapse between each Closing, which restrictions may be waived by the County in writing, which waiver may be granted in the County's sole and reasonable discretion. In the event Developer purchases Lots in advance of the schedule set forth in **Exhibit C**, Developer shall be entitled to apply any Lots purchased in excess of the required minimums against any subsequent minimum takedown requirements. Developer may close on the purchase of Lots regardless of whether the Conditions to Closing have been satisfied, and unless Developer waives its rights in writing, any such Closing shall not be deemed a waiver of any requirement regarding the Lots under this Agreement. County shall continue to have full responsibility to perform its obligations under this Agreement with respect to all of the Lots, closed or not closed, and Developer hereby agrees to grant County a license to access the Tract to complete its obligations hereunder, the form of such license shall be agreed to prior to the expiration of the Inspection Period.

C. Permitted Closing Days. Notwithstanding any other provision herein, any Closing under this Agreement must occur on a Tuesday, Wednesday or Thursday that is a business day as defined in Section 20.J below (a "Permitted Closing Day"), and if a scheduled Closing would otherwise occur on a day that is not a Permitted Closing Day, then the Closing shall automatically be extended to the next day that is a Permitted Closing Day. Furthermore, if any Closing is scheduled to occur on any date from September 15 through September 30, it shall automatically be extended to the next Permitted Closing Day in October, and if any Closing is scheduled to occur on any date from December 18 through January 5, it shall automatically be extended to the next Permitted Closing Day in January.

D. Dedication. County shall enter into an agreement with the City of Cumberland to dedicate all Infrastructure Improvements and Sitework, designated on the Final Plat as to be dedicated to the to the City of Cumberland upon completion of the Project (excepting therefrom all Infrastructure Improvements and Sitework otherwise designated to be dedicated to the Subdivision HOA (as defined herein)).

4. **Closing Documents; Closing Costs and Proration of Ad Valorem Taxes.**

A. Closing Documents. At each Closing, County shall deliver to the settlement agent the special warranty deed (the "Deed") conveying fee simple title to the Lots being conveyed and a Lien Affidavit regarding all of the Lots being conveyed in form acceptable to the title insurance company designated by Developer (the "Title Company"). At each Closing, County shall also execute and deliver to Developer, with regard to the Lot(s) being conveyed, a general assignment of rights against third parties in the form of **Exhibit D** attached hereto and incorporated herein.

B. Closing Costs and Prorations. The provisions of this Section shall survive Closing for a period of one (1) year from each Closing.

- (1) County shall pay (i) all transfer and recordation taxes or the like on the Deed, (ii) any roll-back taxes or other taxes attributable to any portion of the Tract assessed or exempted for agricultural or other special uses prior to Closing, whether such taxes become due before, at or after Closing, (iii) the cost of satisfaction of any liens on the Tract, (iv) County's attorneys' fees, (v) one-half of any closing fee charged by the Title Company related to Closing, (vi) the cost of preparing the Deed, and (vii) all other expenses incurred by County related to Closing.
- (2) Developer shall pay (i) the cost for preparation and issuance of an owner's title insurance policy, (ii) Developer's attorneys' fees, and (iii) one-half of any closing fee charged by the Title Company related to Closing.
- (3) Ad valorem taxes on the Property for the tax year of Closing shall be prorated between County and Developer as of Closing based on the latest assessment available. Should such proration be inaccurate based on the actual ad valorem tax bill when received, either party may demand, and shall receive, a payment from the other correcting such apportionment. The provisions of this Section shall survive Closing.
- (4) County shall be solely responsible for any deferred or past due taxes.

5. **Conveyance of Title.**

At Closing, County shall convey good and marketable title to the Lot(s) to Developer pursuant to a recordable Deed. As used in this Agreement, "good and marketable title" shall mean fee simple title that is free and clear of all liens, encumbrances, leases, licenses, and other occupancy agreements and arrangements, and other exceptions

to title and rights of others, except ad valorem taxes for the year of Closing (to be prorated) and subsequent years (the "Permitted Exceptions"), including those certain items which shall become Permitted Exceptions pursuant to this Section 5. Developer shall examine title and survey to the Tract and give written notice to County of any objections that Developer may have prior to issuance of the Notice of Suitability (the "Initial Objection to Title Notice"). Within five (5) business days after receipt of the Initial Objection to Title Notice, County shall provide written notice to Developer whether County will cure any such objections or refuse to cure such objections. Failure by County to give written notice of its election within five (5) business days after receipt of the Initial Objection to Title Notice shall be deemed an election by County not to cure the objections. In the event County elects, or is deemed to have elected, not to cure any objections, then Developer shall have the right to elect either: (a) to waive the unsatisfied objections and proceed with Closing, or (b) to terminate this Agreement in its entirety. In the event County elects to cure the some or all of the objections, County shall have thirty (30) days from the date of the notice to cure all such objections it has elected to cure, at County's sole cost. In the event Developer does not terminate this Agreement as expressly set forth in this Section 4, then the Closing shall be delayed during and extended for any such cure period. If County fails for any reason to cure the objections within thirty (30) days, then County may request additional time, not to exceed ninety (90) days to cure such objections that County has elected to cure; provided County is diligently and continuously pursuing such cure. Should County fail to cure such title objections prior to the expiration of the applicable time period, Developer may: (1) waive the unsatisfied objections and complete the acquisition of all Lots scheduled for Closing, including those subject to the unsatisfied objections, (2) terminate this Agreement in its entirety and receive an immediate full refund of the Earnest Money, or (3) reject and refuse to acquire the Lot or Lots affected by the unsatisfied objections, delete those Lots from the description and schedule of Lots to be acquired hereunder and proceed to acquire the remaining Lots that are unaffected by the unsatisfied objections, if any, according to the terms hereof. Any matters to which Developer did not object or objections that are waived in writing by Developer, or deemed to be waived by Developer pursuant to this Section 5, shall become "Permitted Exceptions." Notwithstanding anything to the contrary contained herein, County shall be obligated to remove any exception that can be cured by the payment of money, such as a deed of trust, mortgage, lien, judgment, deferred tax or confirmed assessment (collectively, "Monetary Liens"). Developer may examine and re-examine title up to Closing and give written notice to County of any objections that Developer may have as to matters first appearing of record subsequent to the date of the title report or title commitment referenced in Developer's Initial Objection to Title Notice, or in the event Developer did not provide an Initial Objection to Title Notice, as to matters that did not exist or were not of public record as of the date County executes and delivers this Agreement, which new title objections shall be addressed as set forth above. At Closing, County shall execute an owner's affidavit and any other affidavits, certificates and documents reasonably required by Developer or the Title Company to deliver title as required by this Agreement.

6. Inspection Period

A. Developer and its agents, consultants and contractors shall have from the Local Execution Date until the final Closing hereunder or earlier termination of this

Agreement to enter upon all portions of the Tract and any proposed common area adjoining the Tract owned by County or the HOA (collectively, the “Land”) to inspect and perform such tests and studies deemed necessary or appropriate by Developer. County hereby grants to Developer a nonexclusive license to enter upon all portions of the Land for the purpose of making such inspections, and County shall cooperate with all parties to allow access to the Tract or Land as may be required to perform such inspections. The period of time from the Effective Date through the sixtieth (60th) day thereafter is hereinafter referred to as the “Inspection Period.” The results of all inspections, tests, examinations and studies of any portion of the Land performed during the Inspection Period must be suitable to Developer, in its sole and absolute discretion. Prior to the expiration of the Inspection Period, Developer may notify County that such results are suitable by delivering to County a written notice of suitability (the “Notice of Suitability”) signed by one of the corporate officers of Developer listed in Section 34 below (collectively, the “Authorized Officers”). No such Notice of Suitability shall be valid and effective unless signed by one of the Authorized Officers. If Developer fails for any reason to send County the Notice of Suitability by the end of the Inspection Period, and such failure continues for a period of ten (10) days after written notice from County, this Agreement shall automatically terminate. Also, if Developer notifies County in writing at any time prior to issuance of a Notice of Suitability that the results of its inspections, tests, examinations or studies are not suitable to Developer, then this Agreement shall automatically terminate. Upon termination, Developer shall be entitled to receive an immediate full refund of the Earnest Money, and thereafter, neither party shall have any further obligation to the other hereunder, except such obligations that survive termination by express provision herein, and except that Developer shall promptly restore any physical damage caused to the Land by the aforesaid inspections, tests and other activities, and shall indemnify County for any and all claims of bodily injury or damage to property (including the Land itself) arising out of Developer’s inspections of the Land. Developer shall also indemnify County for liens which may be filed against the Land or any portion thereof by persons or entities employed or contracted by Developer to perform inspections of the Land. However, Developer’s indemnity of the County and obligation to repair the Land shall not cover or apply to: (1) any loss, cost or expense arising or resulting from acts or omissions of County, (2) any diminution in the value of the Property arising or resulting from matters discovered by Developer during its investigations of the Land, (3) any latent defects in the Land discovered by Developer, or (4) the release or spread of any Hazardous Substance discovered, but not deposited, by Developer on or under the Land. Developer’s repair and indemnification obligations under this Section shall survive termination of this Agreement for a period of one (1) year. The entrance feature for Village Crossing at Camp Bello will be approved by Developer during the Inspection Period.

7. Delivery of Information; City of Cumberland Planning and Zoning Approval.

A. County shall deliver to Developer copies of all of the following documents: (i) any County plans and specs for the Project which have been approved by the City, (ii) any Phase 1 environmental reports, wetland reports or soils reports, (iii) the source deed for the Tracts, (iv) any existing plats or surveys of the Tract, (v) title reports, commitments and policies, easements, licenses, or leases, (vi) other reports and studies, approvals,

construction drawings (CAD files drawings) and HOA documents (Including but not limited to the declaration, master deed, bylaws, certificate of incorporation and budget), (vii) reports certifying in detail how the existing improvements on the Property were demolished and removed from the Property, and (viii) any information which the County has in its possession with regard to fees due to the City, including without limitation recreation fees, water and sewer tap fees, and any cash or in-kind proffers or use requirements or restrictions or commitments of any kind affecting the Tract, within seven (7) days of the Effective Date. Failure of County to deliver the identified items (or notice that County does not have the same) shall automatically extend the Inspection Period one day for each day delivery of such items or Notice is delayed. County shall further provide access to County's consultants who may have performed inspections of the Property.

B. County shall prepare and present for approval a development plan to the City of Cumberland Planning and Zoning Board, which shall include, the Construction Plans. Developer shall have the right to consent to the Construction Plans, and any modification thereof, before County seeks approval from the City of Cumberland Planning and Zoning board, and any other applicable authorities, which consent shall not be unreasonably withheld, conditioned or delayed. All modifications to approved Construction Plans require the prior written approval of Developer.

C. Developer shall cooperate with County in preparation and presentation of the Construction Plans.

8. **Construction and Completion of Infrastructure Improvements and Sitework.** County warrants that it shall develop the Tract so that each meets all applicable laws, regulations, ordinances, restrictions, orders and zoning conditions, and the development specifications stated in this Section 8 and in **Exhibit E-1, Exhibit E-2 and Exhibit E-3** attached hereto and incorporated herein (collectively, the "Development Specifications"). Without limiting the generality of the foregoing, County warrants that:

a. The following Tract improvements have been or will be completed by County as and when they apply to the Lots being purchased at a particular Closing and prior to such Closing, and not later than the Substantial Completion Date, as called for in Section 3.A above: (1) clearing, including, but not limited to, clearing of each Lot; (2) grading, including, but not limited to, grading of each Lot; (3) curbing; (4) base paving, including paving of all roads and parking areas, whether public or private, and delivery to Developer of documentation reasonably acceptable demonstrating that all finish paving has been bonded for completion with the Governing Jurisdiction, or County has funds or surety available to complete all finish paving; (5) storm drainage, retention and detention facilities and other storm drainage systems, including payment by County of all off-site fees and charges with respect thereto, if any; (6) sanitary sewer; (7) public water source and distribution system with adequate capacity to serve a single-family dwelling unit on each such Lot; (8) street signs according to a lighting and signage plan to be

approved by Developer during the Inspection Period; (9) sidewalks abutting the common space areas of the Tract, in accordance with the Plans; (10) completion of all wet and dry utilities, including as more specifically provided for below; and (11) payment of all off-site fees and charges with respect to the Plans, including without limitation, recreation fees. In addition, any and all on and off-site improvements shall be completed by County prior to Closing. County shall be solely responsible for any monetary amounts, inspection fees, professional escrows, guarantees or bonds required in connection with the Plans.

b. The Tract and each Lot is served by underground utilities including: (1) underground electric lines sufficient to service each Lot, installed in a utility easement adjacent to the Lot line, with all applicable fees for electric service and installation paid; (2) natural gas for heating, water heaters, cooking and fireplaces, (3) telephone service to service the Lot and lines extending to the boundary of each Lot, and (4) cable television and internet service. Any rebates received by County from any utility provider to the Lots shall be retained by the County.

c. All roads, sanitary and storm sewer facilities, water lines and drainage easements in the Tract are substantially completed or have been bonded.

d. County has developed the Tract without any permanent retention/detention ponds that unduly affect the value of any of the Lots.

e. Developer, upon the Closing of a Lot, shall have the right to connect to existing and readily available water and sewer systems upon Developer's payment of tap fees to the Governing Jurisdiction, which fees shall not exceed (i) the amounts charged to the owners of any other lots in the Tract, or (ii) the amounts charged by the Governing Jurisdiction as of the Effective Date.

f. County has installed, to the Governing Jurisdiction's requirements, all water lines and sewer mains, including laterals and water meter boxes and shall furnish Developer with as-built sewer and water layouts. County agrees to reimburse Developer for all expenses incurred by Developer to relocate water and sewer laterals and water meter boxes not located in accordance with the layouts.

g. All debris, including, but not limited to, construction debris and soil stockpiles, has been burned or hauled off in accordance with all applicable laws, regulations, ordinances, restrictions and orders, and evidence of same has been provided to Developer to its satisfaction in its sole discretion. County has not and shall not bury any materials or substances of any nature or create berms on the Lots or any rights-of-way.

h. County shall provide Developer with a licensed soil engineer's letter certifying the compaction and/or soil bearing pressure of each Lot as a condition to Developer's obligation to complete the Closing of that Lot.

i. The Lots shall have direct, perpetual, irrevocable, full, and free access to a public street.

j. All utilities servicing the Lots, including water and sewer lines are operable and have received the appropriate certifications and clearances from the applicable utilities and agencies.

k. All Infrastructure Improvements and Sitework have been completed as and when they apply to the Lots being purchased at a particular Closing and prior to such Closing, and not later than the Substantial Completion Date, in accordance with the Plans so that building permits and certificates of occupancy are available without condition.

l. All Lots are serviced by providers of telephone, cable and high-speed internet services.

m. No part of any Lot on which a house is to be built is located within a designated state or federal wetland, wetland buffer area, conservation area, stream buffer, floodway, 100 year flood zone or area of special flood hazard.

n. The Lots have been or shall be graded in accordance with the Plans and the grading scheme for Slab (No Basement), Walkout Basement or Crawl Space, as applicable, attached hereto as **Exhibit E-2** and incorporated herein (“Developer’s Grading Scheme”) so that:

i. the grade of each Lot provides a building pad extending five feet (5’) in all directions from the footprint of the planned dwelling;

ii. each Lot will be graded as per the to be approved Final Plans and Developer’s Grading Scheme, within plus or minus two tenths of a foot (.2’) of the grades shown on the approved Plans;

iv. County shall have staked the Lot corners and the center of each building pad to verify grades; and

v. to ensure that Developer will not encounter rock in its house construction operations on the Lots, County, during its grading operations, will drill, blast, and mechanically break rock: (i) to cause the finished Lot to balance, (ii) such that building pads shall have rock drilled, blasted, or mechanically broken to an elevation of thirty six inches (36”) below the Subgrade elevation shown on the Developer’s Grading Scheme, (iii) will accommodate water and sewer lateral lines from the stubs to the dwelling, and (iv) to areas and depths to accommodate Developer’s foundations and footings. In that regard County shall be responsible for all drilling, blasting, and mechanical breaking of all rock on the Lots which is located within five (5) feet of all of the outside walls of Developer’s single family home footprint and which is located in Lot basements. County shall be responsible for the drilling, blasting, and mechanical breaking of rock which is located within the sewer, water, gas, and electric utility trenches, which Developer requires to extend the utilities from the stub-outs to the single family home. Developer retains the right to test soils for rock in order to determine if blasting is required prior to completion of Infrastructure Improvements and Sitework.

During the Inspection Period, based upon coordination with County, Developer shall provide County with a concept plan (the "Site Concept Plan") showing which of the Lots shall be Slab (No Basement) Lots, and which of the Lots shall be Walk-Out Basement Lots.

o. County shall provide all landscaping, sidewalks and street trees on the common space areas, in accordance with the Plans.

p. County shall be responsible for all common area maintenance, including, but not limited to, street trees and sidewalks on the common areas.

q. County shall be responsible for any impact fees required to file the Plans, or to file or record the Final Plat.

r. County shall post all required municipal bonds and escrows associated with the entire project. Developer shall be responsible for any damage to County's site improvement caused by Developer. Developer is responsible for all bonds, security, letters of credit, inspection fees and the like with respect to construction of the homes, and improvements that Developer is responsible to construct.

s. Each Lot shall be designed with a building envelope capable of accommodating a single-family dwelling. Developer shall be responsible for preparing, producing and submitting construction plans for building units.

t. County shall rough grade the Lots based on pad locations and elevations set forth in the Plans. All such Lots will be graded so that after the foundation is in place, each Lot will balance. For any Lot where part or all of the foundation of the planned dwelling cannot be placed on a natural grade capable of supporting such foundation, County has provided a controlled-fill pad, and compacted such fill, which pad has been tested and certified to Developer, at County's expense, by a State of Maryland-registered geo-technical engineer, who will issue a written pad certification to Developer indicating that the pad will support a footing/foundation of standard design and specifications with good material at a minimum of two (2) feet below the bottom of the footing; good material is defined as non-expansive material with a minimum bearing capacity of 2500 pounds per square foot. Compaction will be sufficient to compress the fill material to 95% of its dry density in accordance with ASTM D-698-78. Copies of all test results will be certified to and forwarded to Developer at least five (5) days prior to Closing on Lots referred to therein and must be valid at the time of Closing. County shall be liable to Developer for all costs or expenses incurred by Developer resulting from delayed, incomplete or erroneous certifications.

u. County shall ensure building pads are set to a minimum of 2' above the seasonal high water-table.

v. County shall post all municipal bonds and escrows required by the Governing Jurisdiction for the Tract (the "Bonds"). County is responsible to complete all improvements for the Tract which the Bond secured (the "Bonded

Improvements”). **Developer shall not be responsible for posting any bonds or entering into any financial security agreements with the City of Cumberland, Maryland or the County in connection with its development of the Lots.**

w. There are no recreation or other fees due to the Governing Jurisdiction other than water and sewer tapping fees. County shall be responsible for paying any off-site fees, including without limitation, recreation fees, MTUD fees, and any and all other fees imposed by the Governing Jurisdiction. There are no cash proffers, in-kind proffers, use requirements, use restrictions, cash tenders, in-kind tenders, or commitments of any kind or type (collectively, the “Proffers”), affecting the Property that would materially impact Developer’s ability to build Developer’s intended improvements., except those Proffers that are the sole and exclusive obligation and cost of County.

x. County shall be responsible for setup of the HOA (hereafter defined), subject to the review and written consent of Developer.

y. County has completed, or shall complete, each of the items identified as the responsibility of County on the Development Responsibility Checklist attached hereto as **Exhibit E-3**. In the event of any inconsistency between such checklist and the text of this Agreement, the text of this Agreement shall govern.

9. **Pre-Closing Lot Inspection.** Prior to each scheduled Closing, Developer may perform re-inspections of the Lot(s) to be purchased and prepare a list of all items not in compliance with the Conditions to Closing. Upon completion of each such inspection, an inspection report in the form attached hereto as **Exhibit F** (each, an “Inspection Report”) shall be completed, indicating thereon any noncompliance with the provisions of this Agreement and/or noting any incomplete or defective work performed or to be performed by the County. The County shall correct all items as described on the list within thirty (30) days after the inspection and prior to the Closing. In the event the County fails to timely correct all such items, Developer may, at its option: (a) complete the Closing and allow the County to complete the items after the Closing; (b) delete the defective Lot(s) from the Agreement and proceed to close on alternative Lots that meet all of the Conditions to Closing and Development Specifications; or (c) refuse to close until all of the Lots designated for takedown comply with the Development Specifications, in which event the Closing Schedule shall be suspended and adjusted accordingly. Notwithstanding the foregoing, neither the failure to perform a pre-closing Lot inspection nor the failure to discover a deficiency or instance of noncompliance during any inspection shall relieve County of its obligation to deliver Lots that meet all of the Conditions to Closing.

10. **Construction and Completion of Residential Improvements.**

A. Developer, at its sole expense, shall layout, construct, install, and/or otherwise complete the Residential Improvements in a good and workmanlike manner, in full and strict accordance with and pursuant to the following: (i) the Land Development Code; (ii) the Residential Improvement Plans; (iii) the provisions of this Agreement; (iv) all applicable requirements of electric, telephone,

and other utility companies having jurisdiction; and (v) all other applicable laws, statutes, ordinances, resolutions, rules, and regulations of the City of Cumberland and of other applicable or appropriate governmental authorities and/or agencies having jurisdiction. In the event of any inconsistency or conflict between or among the provisions of any of the foregoing, those provisions contained in the Plans shall prevail and control.

B. No Residential Improvements referred to herein, in connection with this Project shall be commenced until:

- (1) The Final Plat is recorded according to law, at County's sole cost and expense;
- (2) This Agreement is duly signed and delivered;
- (3) Reserved; and
- (4) All fees (i) required by any Ordinance, Resolution or regulation of the City of Cumberland and not otherwise the obligation of the County pursuant to this Agreement, and (ii) legal and engineering expenses, incurred by the City of Cumberland for the completion of its approval of the Plans, preparation of the Agreements, Resolutions and other papers relating to the acceptance of this Agreement by County are paid. For the avoidance of doubt, all such fees contemplated in this Section 10.(B).(4) shall be paid by County, at County's sole cost and expense.

C. Upon compliance with the requirements of subsection B, above, Developer may obtain permits for the Residential Improvements.

D. Once County transfers ownership of a Lot or Lots to Developer, Developer shall have ninety (90) days to apply for building permits for Residential Improvements on such Lot or Lots. Once building permits are issued, subject to extensions for force majeure events, the Residential Improvements on that Lot or those Lots shall be substantially completed on or before the date occurring nine (9) months from the date of permit issuance (together with the time allotted to obtain a building permit, the "Completion Dates"). Upon written request of Developer and approval of County, which approval shall not be unreasonably withheld, conditioned, or delayed, the Completion Dates outlined in this paragraph may be extended from time to time, provided that Developer's written request is received by County not less than twenty (20) days prior to the then-current Completion Date. Such times shall be of the essence. As used herein, "**force majeure events**" means actual delays caused by fire, flooding, inclement weather, earthquake, hurricane, action of the elements, epidemic, pandemic or other acts of God, strike, lockout, freight embargo, acts of public enemy, riot, insurrection, war, terrorism, invasion, insurrection, mob violence, malicious mischief, sabotage, inability to procure, or general shortage of, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, condemnation laws, litigation, governmental restrictions, requisition or order of government, civil or military authorities, governmental regulation of the sale or transportation of materials, supplies or labor, governmental delay, inability to obtain governmental permits or approvals, the County's failure to comply with any time periods set forth herein, any interference with Developer's performance and

substantial completion of the Lots caused by the County, or the County's employees, agents or contractors, any delay caused by the County or the County's employees, agents, or contractors, or any other similar cause not within Developer's reasonable control.

E. **Reserved.**

F. **Reserved.**

G. Developer agrees that it will, at its sole expense, obtain all necessary building permits as required under the City of Cumberland's Land Development Code prior to construction of any dwelling or any building within the Project.

H. Developer agrees that it will, at its sole expense, obtain all necessary use and occupancy certificates as required under the City of Cumberland's Land Development Code prior to permitting occupancy of any dwelling or any building within the Project.

I. County will coordinate with the City of Cumberland to establish water and sewer connections to each residential improvement. Developer shall reimburse County for the cost of water and sewer tap fees paid in advance by the County and relating to a particular Lot prior to or concurrent with transfer of such Lot to a homeowner.

J. Developer agrees to maintain such barricades, warning lights or fences as are necessary in Developer's reasonable discretion during the course of construction to give reasonable protection to the public.

11. **Sale of Residential Improvements**

A. Developer recognizes that County is substantially subsidizing this project through their completion of Infrastructure Improvements and Sitework and County's ownership of the Tract. The County is completing the Infrastructure Improvements and Sitework and conveying the Tract to Developer for the purposes of this Project at no cost to Developer.

B. In recognition of County's contributions outlined in subsection A herein, the obligation of the County and Developer to consummate the transaction contemplated by this Agreement and proceed to each Closing, is subject to the following conditions (the "**Market Conditions**"):

a. The County and Developer shall have entered into a Memorandum of Understanding effective as of each Closing Date, which shall establish a maximum retail list price at which the Lots shall be marketed for sale by Developer to the public (exclusive of closing costs) (the "**Retail Purchase Price**"), which Retail Purchase Price must be agreed upon between the County and Developer on or before sixty (60) days prior to each Closing (each a "**Retail Purchase Price Agreement Deadline**"). In furtherance of the foregoing, the County and Developer shall execute a Memorandum of Understanding in the form attached hereto as Exhibit H (the "**MOU**").

- b. The Parties' consensus and agreement with the respect to Retail Purchase Price for each Closing contemplated under this Agreement shall be referred to as the "**Retail Price Condition to Closing**".
- c. The Developer shall include an owner-occupied declaration disclosure (the "**Owner Occupied Disclosure**") in its sales contract prepared for retail homebuyers of the Lots substantially in the form attached hereto as **Exhibit J**.

For the avoidance of any doubt, the Retail Price Condition to Closing and the Owner Occupied Disclosure shall be the only Market Conditions contemplated and required under this Agreement.

- C. The Retail Purchase Price for each Closing hereunder shall be predicated on the parties working in good faith in consideration of the following market conditions: (i) Developer's updated entitlement, engineering, development, and construction costs; and (ii) the County's affordability metrics with respect to comparable single-family homes and townhomes in the surrounding residential development areas of the Subdivision in Allegany County; provided, however, that in no event shall the failure of Developer and County to mutually agree on the Retail Purchase Price and execute a Memorandum of Understanding, constitute, or be deemed to be, a breach or default by either Developer or the County hereunder.
- D. If the Retail Price Condition to Closing remains unsatisfied at the expiration of the Retail Purchase Price Agreement Deadline, then Developer may, upon written notice to County: (a) terminate this Agreement by giving written notice to County and receive an immediate refund of the Earnest Money then held in the escrow account from Escrow Agent, (b) delete any Lots that do not meet the Retail Price Condition to Closing and proceed to close on Lots that do meet all of the Retail Purchase Conditions to Closing, or (c) extend the time for the County and Developer to reach a consensus and cause the Retail Purchase Price Condition to Closing to be met at a specified period of time, in which event the Closing Schedule shall be adjusted accordingly, provided that the total duration of all such extension periods shall not exceed one (1) year. The County and Developer agree to cooperate and work in good faith to satisfy the Retail Price Condition to Closing.

12. **Dedication.**

- A. County, at its expense, hereby offers to dedicate the following to the City of Cumberland and hereby agrees to tender to the City of Cumberland deeds of dedication containing such provisions and in such form as shall be approved by the City of Cumberland:
 - 1. All that roadways, designated on the Plans as public streets to the full ultimate rights-of-way widths and lengths thereof, together

with all road and other Infrastructure Improvements and Sitework (including, without limitation, stormwater management facilities) as shall be constructed, installed, or otherwise completed in, under, or upon said streets or roads in accordance with and pursuant to the Plans and this Agreement;

2. Reserved.
 3. All sanitary sewer easement areas, and the sanitary sewer facilities constructed within such easement areas, as are shown on the Plans;
 4. All portions of the Tract designated on the Plans as open space areas to be dedicated to the City of Cumberland for public use; and
 5. Any or all other facilities specified to be dedicated to the City of Cumberland as part of the approval of the Plans.
13. **Moratoriums or Governmental Delays.** In the event any local, state or federal regulatory authority having authority over the Subdivision or the Lots imposes a moratorium on the issuance of building permits, septic system permits, sewer taps, water taps, public school attendance rights or certificates of occupancy, then all Closings shall, at Developer's election, be suspended and extended by the time period that such conditions exist, shall be abated. If such moratorium or delay is in effect for a period greater than one hundred eighty (180) days, then Developer, at Developer's option, shall have the right to terminate this Agreement upon written notice to County. In the event of such termination, the Earnest Money then on deposit shall be refunded to Developer.
14. **Model Homes; Parking Lot.** Upon request by Developer, County shall cooperate with Developer to obtain "model permits" to start construction of Developer's model homes prior to the recording of the final Subdivision plat. As long as Developer owns a Lot in the Subdivision, County shall allow Developer to use a vacant lot in the Subdivision as a gravel parking lot to serve Developer's model homes and/or sales information trailer, without requiring Developer to close on the lot or pay rental. The lot to be used for the parking lot shall be subject to County's approval, which approval shall not be unreasonably conditioned, withheld or delayed. The provisions of this Section 14 shall survive termination of this Agreement for any reason.
15. **Construction Trailer.** As long as Developer owns a Lot in the Subdivision, County shall allow Developer to use a vacant lot in the Subdivision for Developer's construction trailer without requiring Developer to close on the lot or pay rental. The lot to be used for the construction trailer shall be subject to County's approval, which approval shall not be unreasonably conditioned, withheld or delayed. The provisions of this Section 15 shall survive termination of this Agreement for any reason.
16. **Sales Information Trailer.** As long as Developer owns a Lot in the Subdivision, County shall allow Developer to use a vacant lot in the Subdivision for Developer's sales trailer, without requiring Developer to close on such lot or pay rental. The lot to be used for the

sales information trailer shall be subject to County's approval, which approval shall not be unreasonably conditioned, withheld or delayed. The provisions of this Section 16 shall survive termination of this Agreement for any reason.

17. **Entrance Feature.** The "Entrance Feature" shall consist of signage, and landscaping to be installed by County at County's sole cost during the development of the Subdivision and completed on or before the Initial Closing Date (see Exhibit C). The design and location of the Entrance Feature are subject to Developer's written approval, which shall not be unreasonably conditioned, withheld or delayed. County shall convey the land upon which the Entrance Feature is to be installed to HOA at or before the Initial Closing. Notwithstanding any other provision herein, if for any reason County does not complete installation of the Entrance Feature by the scheduled completion date, then, in addition to such rights and remedies as Developer may have pursuant to Section 17 below, Developer, at Developer's option, may: (a) extend and delay the Closing Schedule on a day-for-day basis for each day beyond the completion date that installation remains incomplete, and/or (b) without limiting any other remedy of Developer, elect to complete installation of the Entrance Feature, in which case all costs and expenses incurred by Developer in doing so, plus ten percent (10%), shall be payable by County to Developer upon demand, and such amounts shall bear interest at 10% per annum until paid. County hereby grants to Developer a nonexclusive license to enter upon the Land or any portion thereof, or any other property owned by County, for the purpose of completing installation of the Entrance Feature. County shall cooperate with and assist Developer by providing any information which may be reasonably requested concerning completing installation of the Entrance Feature, and County hereby authorizes and grants to Developer a nonexclusive license to use all plans, contracts, materials and information which may be necessary or desirable for the completion of the Entrance Feature and the payment of the costs thereof. The provisions of this Section 17 shall survive termination of this Agreement for any reason.

18. **Establishment of Homeowners Association.**

County shall establish, at its expense, a Homeowners Association for the Project, in compliance with the Maryland Homeowners Association Act, MD Code, Real Property, § 11B-101 et. seq. Not less than forty-five (45) days prior to the end of the Inspection Period, County shall provide drafts of County's proposed documents creating the Homeowners Association for Developer's review and approval, including a copy of the proposed budget of the Homeowners Association. The parties shall agree upon the terms of the documents establishing the Homeowners Association prior to the end of the Inspection Period. The documentation creating the Homeowners Association shall provide that County shall not amend, in a material and adverse manner, such documentation without Developer's prior written consent. County shall be the sole Declarant pursuant to the Declaration of the Homeowners' Association, and shall have sole authority to review and approve Developer's Residential Improvement plans, which shall be submitted to County by Developer and approved by County prior to the end of the Inspection Period. County agrees to hire a professional management company to manage the Homeowners Association and maintain all common areas. County shall not enter into any contract with a management company without Developer's prior written

approval. Homeowners Association capital contributions or dues shall not be assessed against a Lot until the Residential Improvements on the Lot are complete and the Lot is conveyed, by sale or lease, to a third party. Upon transfer of 85% of the Residential Improvements anticipated by the Plans, County shall transfer control of the Homeowners Association to a Homeowners Association Board, according to the establishing documents. County or the Homeowners Association shall be responsible for all common property maintenance, including, but not limited to, street trees, sidewalks and snow clearing on the Property, operating costs of the Homeowners Association, and making up any budget deficits of the Homeowners Association, until control of the board of the Homeowners Association is turned over to the Lot owners.

19. Condemnation and Casualty.

If prior to Closing, all or any portion of the Tract is condemned or taken, or threatened to be condemned or taken, by any authority, or any portion of the Tract suffers a casualty loss, County shall give Developer immediate Notice thereof with a complete description of all relevant information and complete copies of all relevant documentation. Within thirty (30) days of such Notice, Developer may elect: (a) to terminate this Agreement with respect to the affected Lot or Lots and receive a refund of the portion of the Earnest Money applicable to the affected Lot or Lots, with neither party thereafter having any further obligation to the other hereunder with respect to the affected Lots, or (b) to close on the purchase of the affected Lots, but with the right to receive all monies payable and applicable to the affected Lot(s), as a result of any such taking, in which case County and Developer shall promptly execute all documents required by County and Developer to assign County's rights therein to Developer.

20. County's Warranties.

A. County has full authority to execute and deliver this Agreement and convey the Lots to Developer and execute and deliver the deeds and such other documents, instruments, affidavits and certificates as are necessary or desirable to effectuate this transaction.

B. To the best of County's knowledge, there are no impact fees, taxes, levies, assessments or special fees of any kind (other than normal ad valorem property taxes) imposed by any governmental authority or other third party that would be payable by Developer in connection with its use of the Tract.

C. Other than as provided in the Permitted Exceptions, no commitments have been made to any governmental authority, utility company, school board, church, religious body, homeowner's association, other community association, or other organization, group, or individual that would impose an obligation upon Developer to construct any improvements, to make any contribution of money, to dedicate any land or to maintain any land or improvements.

D. County has received no notice of any assessments other than those assessments against the Tract which are shown in the official records of City of

Cumberland, Maryland; to the best of County's actual knowledge, no site or area improvements have been constructed or installed by any public authority, the cost of which may be assessed in whole or in part against any part of the Tract; the Tract is not subject to the imposition of impact or development fees; and County has not been notified of any possible future improvements that might create an assessment against any part of the Tract.

E. To the best of County's actual knowledge, there is no pending, and County has no notice or knowledge of any threatened taking or condemnation of the Tract or any portion thereof, or any action, litigation or proceeding by any organization, person or governmental agency affecting the Tract or County. County shall provide prompt written notice to Developer if it receives such notice or knowledge.

F. County has received no notice or knowledge of any violation of law, order, ruling, ordinance, rule or regulation with respect to County or the Tract.

G. During the time County has owned the Tract, and to the best of County's actual knowledge with regard to the time prior to County's ownership of the Tract: no construction or other debris (including, without limitation, livestock, other organic materials, strippings, rocks, stumps or concrete) has been buried upon the Tract by County.

H. The following shall be the utility providers for the Tract: Gas: Columbia Gas of Maryland; Electric: Potomac Edison MD; Telecommunications: Breezeline; and Water and Sewer: City of Cumberland. This section shall not be construed to prohibit competing utility providers, if any, from offering services for the Tract.

I. There are no cash proffers, in-kind proffers, use requirements, use restrictions, cash tenders, in-kind tenders, or commitments of any kind or type (collectively, the "Proffers"), affecting the Tract that would materially impact Developer's ability to build Developer's intended improvements.

J. The Tract does not include any inclusionary affordable homes imposed by any governmental agency or court pursuant to any statute or regulation or court order or settlement.

K. County shall not convey or encumber the Property or any portion thereof.

L. County shall not knowingly take, cause or allow any action that would cause any of the foregoing representations or warranties to be untrue or incorrect at each Closing, or fail to take any commercially reasonable action that may be required to keep such representations and warranties true and correct at each Closing. County shall indemnify and hold Developer harmless from and against any and all liabilities, losses, costs, damages and expenses (including attorneys' fees and expenses and costs of litigation) incurred by Developer as a result of the untruth, incorrectness or incompleteness when made and through Closing or termination of the Agreement of any representation or warranty made herein or in connection herewith, such indemnification obligation to extend for a period of twelve (12) months following the later to occur of the last Closing or the termination of this Agreement. The representations, warranties and obligations of County pursuant to this Section shall survive the latest to occur of (i) the last Closing hereunder or

(ii) any termination of this Agreement, for a period of twelve (12) months.

21. **Stormwater.**

a. County agrees to comply with all local, state and federal laws, codes, rules, orders, permits and regulations during all stages of the development of the Subdivision, including but not limited to performing all inspections that are required under all applicable local, state and federal laws, codes, rules, orders, permits and regulations and regularly maintaining all erosion and pollution control devices and best management practices in the Subdivision. County shall file a Notice of Intent ("NOI") and shall prepare, implement, and comply with a Storm Water Pollution Prevention Plan ("SWPPP") that includes elements necessary for compliance with all applicable general permits for construction activities under the National Pollutant Discharge Elimination System ("NPDES"), and shall keep copies of all inspections and provide Developer with copies of all inspections that are required by any governmental agency.

b. County shall provide Developer with three (3) copies of the SWPPP and one (1) copy of the NOI filed with the appropriate local, state and federal agencies. County may not modify or terminate the SWPPP or the NOI without Developer's approval. The parties expressly agree and acknowledge that County shall be deemed the "owner" and "operator" of the Subdivision for purposes of the SWPPP, and Developer's obligation to comply with the SWPPP, if any, will only relate to the Lots purchased by Developer under this Agreement. County hereby indemnifies and holds harmless Developer and the other Indemnitees (as defined below) from and against any liability, loss, cost, damage or expense, including, without limitation, court costs, expert witness fees and attorneys' fees, that Indemnatee may suffer or incur as a result of any claim, demand, action, cost or judgment made or obtained by any individual, partnership, corporation, entity, governmental agency or person which arises out of or results from County's failure to fully comply with the Covenants set forth in this paragraph or is otherwise caused, directly or indirectly, by County's action or inaction under NPDES or any other similar, related or successor local, state or federal law, code, rule, order or regulation relating to stormwater.

22. **No Broker.** County represents to Developer that County has not discussed this Agreement or the subject matter thereof with any real estate broker, agent, or salesperson, so as to create any legal right in any such broker, agent or salesperson to claim a real estate commission, finder's fee, or similar compensation from Developer with respect to the sale and/or conveyance of the Property contemplated in this Agreement. County hereby indemnifies and holds Developer harmless from and against any and all liabilities, losses, costs, damages and expenses, including reasonable attorneys' fees and costs of litigation, Developer shall ever suffer or incur because of any claim by any broker, agent or salesperson, whether or not meritorious, for any fee, commission or other compensation with regard to this Agreement or the sale and purchase of the Property contemplated hereby, and arising out of any acts or agreements of County. Developer represents to County that Developer has not discussed this Agreement or the subject matter thereof with any real estate broker, agent, or salesperson, so as to create any legal right in any such broker, agent or salesperson to claim a real estate commission, finder's fee, or similar

compensation from County with respect to the sale and/or conveyance of the Property contemplated in this Agreement. Developer hereby indemnifies and holds County harmless from and against any and all liabilities, losses, costs, damages and expenses, including reasonable attorneys' fees and costs of litigation, County shall ever suffer or incur because of any claim by any broker, agent or salesperson, whether or not meritorious, for any fee, commission or other compensation with regard to this Agreement or the sale and purchase of the Property contemplated hereby, and arising out of any acts or agreements of Developer. This Section shall survive the Closing or any termination of this Agreement.

23. Failure to Complete; Other Default.

A. If Developer defaults in the performance of any covenant or obligation hereunder, the County's sole and exclusive remedy shall be to terminate this Agreement as to all Lots not yet purchased, and receive payment of the Earnest Money then held in the escrow account from Escrow Agent as County's full liquidated damages as a result of such default. The parties hereby agree that: (1) ascertaining the actual damages in the event of such a default is difficult, (2) it is impossible more precisely to estimate the damages to be suffered by County upon Developer's default at different times during the term of this Agreement, (3) such payment of Earnest Money is intended not as a penalty, but as full liquidated damages, and (4) the amounts of Earnest Money held at different times during the term of this Agreement constitute good faith estimates of the potential damages arising from default by Developer hereunder at those times.

B. If County defaults in the performance of any covenant or obligation hereunder, or if any of County's representations or warranties prove to be false, inaccurate, incomplete or misleading in any material respect, then Developer may seek any remedy available to it at law or in equity, including the remedy of specific performance, and including the right to terminate this Agreement, receive an immediate refund of all Earnest Money and sue for damages for County's breach.

C. In the event of a default under any covenant contained in this Agreement, the non-defaulting party shall give the defaulting party notice of such default, specifying in reasonable detail the nature of the default. Thereafter the defaulting party shall have ninety (90) days from the date notice of default is given to cure the default. If the defaulting party cures the default within the ninety (90) day period, it shall not incur any liability to the other party for the default. Each party shall reasonably cooperate with any and all attempts by the other to cure any default within the cure period.

24. Reserved.

25. Indemnification for Infrastructure Improvements and Sitework

A. County warrants that all Plans, designs, installations and specifications have been designed by registered engineers licensed in the State of Maryland and all Infrastructure Improvements and Sitework will be installed in a good and workmanlike manner and in accordance with the plans and specifications and sound construction practices. County does further warrant that the Infrastructure Improvements and Sitework

installed and each and every part thereof are fit for all purposes for which they are intended. Developer disclaims all liability for design, construction, installation or operational defects of Infrastructure Improvements and Sitework.

B. County hereby agrees to indemnify, save harmless and defend Developer, its officials, officers, employees, subsidiaries, affiliates, and agents, of, from, and against any liability, claim, suit or demand, of whatever nature or kind, whether founded or unfounded, arising from, out of, or related to the design, laying out, permitting, installation, construction, completion, inspection, testing, functioning, repair and/or maintenance of (or the failure to repair and/or maintain) the Infrastructure Improvements and Sitework, together with all cost, fees and expenses (including, but not limited to, attorney's fees and costs, and expert witness fees and costs) as may be incurred by Developer in connection with any such liability, claim, suit or demand.

26. **Soil Remediation.** In the event that Developer determines that the soil condition, existence of debris, or existence of rock on a Lot or Lots violates the covenants, representations or warranties set forth in this Agreement, then Developer may provide notice of same to County and require County to (i) reimburse Developer for the cost of soil, debris and/or rock remediation, (ii) (a) accept conveyance of the Lot back from Developer if Closing has occurred on the Lot and remediate the soil, debris and/or rock issues and provide Developer the option to accept reconveyance back to it (County to pay all costs of each transfer) or (b) remediate the soil, debris and/or rock issues and provide Developer the option to accept conveyance of the Lot to it, or (iii) pursue any other default or indemnification remedies set forth in this Agreement, and/or any other remedies available at law or in equity. The remediation and reimbursement obligations set forth herein shall survive the later of the final Closing or the termination of this Agreement for a period of one (1) year.

27. **FHA/VA Approval.** Developer may exclude from this Agreement any Lot that cannot be accepted for approval by either FHA or VA.

28. **Notices.**

A. Any notice, demand or other communication required, authorized or permitted to be given under this Agreement shall be sufficient if given in writing and delivered to the party to whom or which the notice or demand is directed at the following address:

1. If to County:

Attn: Jason Bennett, County Administrator
701 Kelly Road
Cumberland, MD 21502
JBennett@alleganygov.org
With copy via email to:
Lee Beeman, County Attorney
Lbeeman@alleganygov.org

2. If to Developer:

Jonathan Davern, Region Vice President
D. R. Horton, Inc.
2040 Briggs Road, Suite A
Mt. Laurel, NJ 08054
Phone: (267) 520-3333
Fax: (800) 570-2807
E-mail: jdavern@drhorton.com

With copies to:

D.R. Horton, Inc.
2040 Briggs Road, Suite C
Mt. Laurel, New Jersey 08054
Attn: Region Counsel
E-Mail: lkkellyjudd@drhorton.com

Joanie McCann
Vice President of Operations
D.R. HORTON
137 Mitchells Chance Road, Suite 400
Edgewater, Maryland 21037
Email: JMMccann@drhorton.com

D.R. Horton, Inc.
1341 Horton Circle
Arlington, TX 76011
Attention: Mark Karnes, Esq.
Phone: (817) 390-8200
Fax: (817) 390-1709
Email: mkarnes@drhorton.com

Kimberly Richards, Esq.
Keith O. Hinder, Jr., Esq.
Womble Bond Dickinson (US) LLP
One West Fourth Street
Winston-Salem, North Carolina 27101
Phone: 336-728-7018; 410-545-5853
E-mail:
Kimberly.Richards@wbd-us.com;
Keith.Hinder@wbd-us.com

3. If to Escrow Agent:

Residential Title & Escrow Company Commercial
Settlement Services, LLC

100 Painters Mill Road, Suite 200
Owings Mills, MD 21117
Attn: Howard Perlow
Phone: 410.653.3400
Email: hperlow@residentialtitle.com

B. Notice may be provided to such other address as the party may give by notice complying with the terms of this section.

C. Such notice, demand or other communication shall be delivered to the addressee by one of the following means: (i) personal delivery against receipt; (ii) certified United States mail, postage prepaid, return receipt requested; or (iii) nationally recognized express delivery service, postage or delivery charges prepaid. The notice, demand or other communication shall be deemed given and effective as follows: (i) if by personal delivery or by express delivery service, at the time of delivery; or (ii) if by mail, three (3) business days after the date of deposit in the United States mails.

29. **County's Covenants Pending Closing.** From and after the Effective Date through Closing, County shall (a) not voluntarily convey or encumber any portion of the Property or any rights therein, nor enter into any conveyance, security document, option, right of first refusal, easement, lease or other agreement granting to any person or entity any rights with respect to the Land, or any interest therein, (b) operate and maintain the Property in a good and workmanlike manner at least as well as County has operated and maintained it prior to the Effective Date, (c) within 3 business days after County's becoming aware thereof, give notice to Developer of any litigation, arbitration or administrative proceeding concerning or affecting the Land, together with copies of all relevant documents, (d) comply with all requirements of all laws, orders, rulings, ordinances, rules, orders and regulations of any governmental authority having jurisdiction over County or the Land or the use or construction thereof, and (e) cooperate with Developer in connection with obtaining substantial approval and compliance from the applicable Governing Jurisdictions as to Developer's utilization of Developer's single family product on the Property (including, without limitation, executing any applications that may be required in order to obtain said approvals), and the covenants in this clause (e) shall survive Closing.

30. **Miscellaneous.**

A. **Waiver.** Neither the failure nor any delay on the part of the parties hereto to exercise any right, remedy, power, or privilege granted under this Agreement or otherwise provided at law or in equity, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, remedy, power, or privilege preclude further exercise of the same or of any other such right, remedy, power or privilege; nor shall any waiver of any such right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence. No waiver shall be effective against a party unless it is in writing signed by a duly authorized representative of the remaining party.

B. **Assignment; Delegation.** Developer may assign its rights, powers, duties, obligations and liabilities hereunder to a Developer affiliate, but otherwise shall not assign or delegate any of its rights, powers, privileges, duties, obligations, or liabilities hereunder without the express written consent of the County. Any such assignment or delegation, without such consent, shall be void.

C. **Cumulative Rights and Remedies.** Any and all rights, powers, privileges and/or remedies granted or accruing to County under or pursuant to this Agreement shall not be exclusive, but shall be cumulative and in addition to such other rights, powers, privileges, and/or remedies as may be now or hereafter available to the County at law or in equity, except as specifically limited herein.

D. **Headings.** The captions or headings preceding the text of the several sections and subsections of this Agreement are inserted solely for convenience of reference; they shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

E. **Severability.** If any provision on this Agreement is held to be invalid or unenforceable: (i) the remaining provisions of this Agreement shall not be affected thereby, but shall continue in full force and effect; (ii) this Agreement be and is hereby amended, to the minimum necessary, to remedy such invalidity or unenforceability, and the parties hereto shall adjust their respective rights and obligations hereunder accordingly; and (iii) to the extent that such invalid or unenforceable provisions cannot be rendered valid or enforceable by amendment as aforesaid, the same shall be severed herefrom as though never set forth herein.

F. **Binding Effect.** Subject to Subsection B above, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

G. **Entire Agreement; Amendment.** This Agreement, together with the exhibits attached hereto and made part hereof, constitutes the entire understanding and agreement of the parties with respect to the subject matter hereof, and, except as may be otherwise specifically set forth herein, supersedes all prior and contemporaneous agreements and understandings, express or implied, oral or written. Except as may be otherwise specifically provided herein, this Agreement may not be amended, revoked, changed, altered, or modified in any manner whatsoever, other than by written unanimous agreement of and signed by all parties hereto.

H. **Governing Law.** This Agreement shall be governed by the laws of the State of Maryland.

I. **Third Party Beneficiary.** The rights and benefits of this Agreement shall not inure to the benefit of any third party. This Agreement shall not be construed as creating any rights, claims or causes of action against County or Developer in favor of any other persons furnishing services or materials to or for the construction of the Development.

J. **Business Day.** The term “business day” shall mean Monday through

Friday, excluding days on which federally-chartered or banks chartered by the state in which the Tract is located are closed for business. If the final day for any action to be taken or event to occur under this Agreement falls on a day other than a business day, then such final day shall automatically be extended to the next business day.

K. **Signage Rights.** Subject to applicable governmental regulations, Developer shall have the right to locate marketing and directional signage at the Project entrance and other such locations throughout the Tract. County acknowledges the importance to Developer of protecting its brand, including trademarks, service marks and other images. All printed and electronic materials, advertising copy, scripts, billboards and monument and other signage (collectively, "Marketing Materials") developed and/or used by Developer may (but shall not be required to) utilize Developer's then-standard or specially-designed trademarks, service marks and designs, including colors, fonts and other design characteristics, or such other design characteristics as Developer shall desire. Developer agrees that any Declaration or amendments thereto recorded after the Effective Date shall not conflict with the agreements set forth in this paragraph. In the event of a conflict between the Declaration and this Section, this Section shall control.

L. **Electronic Execution.** This Agreement may be executed by hand-signatures or by electronic signatures using DocuSign or other similar technology. Such signatures may be transmitted by facsimile or email. Any such electronic transmissions of signatures shall be deemed to constitute originals. In addition, either party and/or the Escrow Agent may rely upon any electronic transmission of any document that is properly executed by the other party. The ratification of this Agreement by any of the Authorized Officers on behalf of Developer also may be accomplished by either hand signature or by electronic signature using DocuSign or other similar technology. Except as otherwise provided herein, the Electronic Signatures in Global and National Commerce Act, any version of the Uniform Electronic Transactions Act, including without limitation MD Code Commercial Law, § 21-104, and any other laws applicable to contracting electronically do not and shall not apply to the execution of this Agreement.

31. **Environmental Matters/Hazardous Substances**

A. As used in this Agreement, "Hazardous Substance" shall mean and include all hazardous or toxic substances, wastes or materials, any pollutants or contaminants (including, without limitation, petroleum, oil and gas, asbestos and raw materials which include hazardous constituents, radon and urea formaldehyde), and any other similar substances or materials which are regulated by, or are the subject of, any Environmental Law. As used in this Agreement, "Environmental Law" shall mean and include any and all local, state, or Federal laws, rules, or regulations pertaining to regulation of the air, water, groundwater, land, natural resources and/or pertaining to the contamination, clean-up or disclosure of Hazardous Substances, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Clean Water Act, the Clean Air Act, the Safe Drinking Water Act, the Endangered Species Act, the Federal Insecticide, Fungicide and Rodenticide Act, as amended, or by tort or other common law.

B. County hereby represents and warrants to Developer that: (i) County is in compliance with all Environmental Laws, including, without limitation, that County has all permits required by Environmental Laws, (ii) neither County, nor any person during County's ownership of the Tract, nor to the best of County's knowledge any previous owner of the Tract or any other person or entity, has ever used, generated, processed, stored, disposed of, released or discharged any Hazardous Substance on, under, or about the Tract or transported it to or from the Tract, nor, to the best of County's knowledge, has any party ever alleged that any such activities have occurred, (iii), no use by the County, or to the best of County's knowledge, any prior owner of the Tract or any other person, has occurred which violates or violated, any applicable Environmental Law, nor to the best of County's actual knowledge has any party ever alleged that such violations have occurred, and (iv) the Tract is not on any "Superfund" list under any applicable Environmental Law, nor is it subject to any lien related to any environmental matter. In the event County breaches the representations and warranties in this paragraph, County shall indemnify, defend and hold Developer and its affiliates, agents, employees, directors, officers, managers, members, partners, shareholders, assigns and/or successors (collectively the "Indemnitees") harmless from and against all fines and penalties and liabilities (including, without limitation those arising under statute or government regulation, common law or contract), including all foreseeable and unforeseeable consequential damages, and other damages, costs and losses, including reasonable attorneys' fees, directly or indirectly and in whole or in part arising out of or attributable to Hazardous Substances' existing beneath or on the surface of the Property on or prior to Closing or the migration thereof within or from the Property at any time, whether before or after Closing, including without limitation the cost of any remedial, removal, response, abatement, clean-up, investigative and monitoring costs, and any other related costs and expenses. Notwithstanding anything to the contrary contained herein, the representations and warranties in this paragraph shall be deemed remade as of each Closing, and such representations and warranties and the indemnification provisions in this paragraph shall survive each Closing for a period of one (1) year and shall not be merged therein. The provisions of this paragraph are in addition to any other express rights Developer may have under this Agreement.

C. During the Inspection Period, Developer shall at its expense, obtain an environmental report (or reports), addressed to Developer, the form, content and preparer of which must be acceptable to Developer in its sole and absolute discretion, presenting the results of an investigation of the Tract, and such property in the vicinity of the Tract, as may be deemed appropriate by Developer, in Developer's sole and absolute discretion in light of the intended use of the Tract, with regard to the presence, generation, processing, storing, disposal, release or discharge of any Hazardous Substances, from, on, under, about, or in the vicinity of the Tract and compliance with Environmental Laws relating to or affecting the Tract, which investigation is commonly referred to as a Phase I Environmental Site Assessment, which report has been prepared or updated no more than six (6) months prior to the date of Closing, and such further investigations and/or reports as Developer may require (collectively, the "Environmental Inspections and Reports"). The Environmental Reports may also include a Phase II Environmental Site Assessment, at the option of the Developer in its sole and absolute discretion, which Phase II will also be part of the Environmental Inspections and Reports.

D. In the event Developer is not satisfied with the results of any Environmental Inspections and Reports, or in the event there has been any change to the environmental condition of the Tract or the property in the vicinity of the Tract as such condition was reflected in the Environmental Inspections and Reports, then Developer, at its sole and absolute discretion and in addition to any other express provision of this Agreement, may (i) terminate this Agreement as to the remaining Lots, (ii) proceed to closing on the remaining Lots, or (iii) extend the Closing Schedule by a period of time specified by Developer, not to exceed ninety (90) days. During any such extension period, County shall make commercially reasonable efforts to satisfy Developer regarding the condition of the Tract. In the event that Developer, at the end of the extension period, is not satisfied with the condition of the Tract, in its sole and absolute discretion, then Developer may exercise any of its rights and remedies under clauses (i) or (ii) of this subsection.

32. **Memorandum of Agreement.** Contemporaneously with the execution of this Agreement, County shall execute a short-form memorandum of this Agreement in a recordable form reasonably acceptable to Developer, including a legal description of the Land (the “**Memorandum of Agreement**”), which Developer may record in the Land Records of Alleghany County; provided, however, in no event shall Developer record the Memorandum of Agreement prior to ratification of this Agreement pursuant to the terms of this Agreement. The Memorandum of Agreement shall be in substantially the form and substance set forth on **Exhibit G** to this Agreement.
33. **Binder/Option Fee.** County acknowledges receipt of One Hundred Dollars (\$100.00) paid to County by Developer as a Binder/Option Fee, in consideration for which County shall be irrevocably bound by the terms of this Agreement from and after the date of County’s execution hereof.
34. **Corporate Ratification.**

NOTWITHSTANDING ANY OTHER PROVISION HEREIN, NEITHER THIS AGREEMENT NOR ANY AMENDMENT HERETO SHALL BE A VALID, BINDING AND ENFORCEABLE OBLIGATION OF DEVELOPER UNLESS AND UNTIL SUCH DOCUMENT IS RATIFIED IN WRITING BY ONE OF THE FOLLOWING EXECUTIVE OFFICERS OF DEVELOPER: DAVID V. AULD, BILL W. WHEAT, MICHAEL J. MURRAY, PAUL J. ROMANOWSKI OR JONATHAN DAVERN; PROVIDED THAT IF RATIFICATION OF THIS AGREEMENT DOES NOT OCCUR WITHIN THIRTY (30) DAYS OF THE DATE ON WHICH THE LAST OF COUNTY OR THE DIVISION PRESIDENT OF DEVELOPER HAS EXECUTED THIS AGREEMENT, AND SUCH FAILURE TO RATIFY CONTINUES FOR A PERIOD OF FIVE (5) BUSINESS DAYS AFTER WRITTEN NOTICE FROM COUNTY (DURING WHICH CURE PERIOD DEVELOPER MAY PROVIDE SUCH RATIFICATION), THEN THIS AGREEMENT SHALL AUTOMATICALLY TERMINATE AND BE OF NO FURTHER FORCE OR EFFECT.

- a. **Right of First Refusal**

A. If County shall desire to develop and sell any additional Lot(s) out of the Village Crossing at Camp Bello or the Tract, or shall receive from a third party a bona fide offer to purchase (including a letter of intent) such additional Lot(s) which County desires to accept, County, before making an offer to sell or accepting the offer to purchase, as the case may be, shall first offer to sell such Lots to Developer at the same price and on the same takedown schedule as in the intended offer to sell or received offer to purchase, and Developer shall have the right, within thirty (30) days of the receipt of the offer and the written notice, to contract to purchase the Lot(s) at that price and on that takedown schedule, but otherwise on the same terms and conditions as set forth in this Agreement. In the event Developer accepts the offer, Developer shall prepare and execute a contract to purchase the additional Lots on such terms and conditions and deliver it to County within the thirty-day period.

B. If Developer does not accept the first offer within the thirty (30) day period provided in subsection a above, then the offer shall be deemed withdrawn, and County shall be free for a period of six (6) months from the expiration of the thirty-day period to sell or offer to sell the Lot(s) to third parties at the same price and on the same takedown schedule as set forth in the first offer, free and clear of this Right of First Offer. In the event the Lot(s) are not sold to a third party within the six (6) month period, then any further offer to sell or purchase the Lot(s) must first be submitted to Developer in accordance with the provisions of subsection A.

C. In the event County shall, during the aforesaid six (6) month period (or during a subsequent six (6) month period as provided in this subsection), decide to make or accept an offer (a "New Offer") to sell the additional Lots at a lower price or on a different takedown schedule than stated in the first offer previously submitted to Developer, then County shall, with respect to each such New Offer, before offering the Lot(s) for sale to others on the terms embodied in the New Offer, or accepting the New Offer, as the case may be, offer to sell the Lot(s) to Developer at the same price and on the same takedown schedule as in the New Offer. Developer shall then have the right, within thirty (30) days of the receipt of the offer and the written notice, to contract to purchase the Lot(s) at that price and on that takedown schedule, but otherwise on the same terms and conditions as set forth in this Agreement. In the event Developer accepts the New Offer, Developer shall prepare and execute a contract to purchase the additional Lots on such terms and conditions and deliver it to County within the thirty-day period. If Developer does not accept the New Offer within the thirty (30) day period provided in subsection a above, then the offer shall be deemed withdrawn, and County shall be free for a period of six (6) months from the expiration of the thirty-day period to sell or offer to sell the Lot(s) to third parties at the same price and on the same takedown schedule as set forth in the New Offer, free and clear of this Right of First Offer. In the event the Lot(s) are not sold to a third party within the six (6) month period, then any further offer to sell or purchase the Lot(s) must first be submitted to Developer in accordance with the provisions of subsection a above. This Right of First Offer shall automatically expire two (2) years after the Closing date.

D. In no event shall Developer be obligated to respond to an offer or notice delivered to Developer (1) at any time County is in default under the terms of this

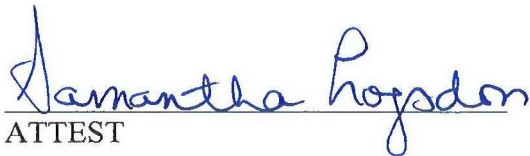
Agreement, or (2) sooner than one (1) year after the Initial Closing Date. Developer's failure to respond to any notice delivered during the time periods set forth in (1) or (2) above shall not constitute an election by Developer or a waiver of Developer's rights under this Section 23.

[LEFT INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereunto have executed this Agreement as of the day and year first above written.

BOARD OF COUNTY COMMISSIONERS
OF ALLEGANY COUNTY, MARYLAND


ATTEST

By: 
David J. Caporale, President

DEVELOPER
D.R. HORTON, INC.

Attest: _____

By: 
Joan McCann (Jun 17, 2026 13:34:39 CDT)
Its: Vice President
Title: Vice President

As required above, the undersigned hereby ratifies this Agreement on behalf of D.R. Horton, Inc.

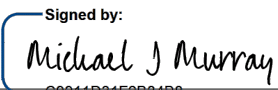
Signed by:

C9911D31F2B84B8...
Print Name: Michael J Murray
Title: Executive VP and COO
Date: 9/14/2026

EXHIBIT "B"
ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (hereinafter referred to as this "Agreement"), is made and entered into _____, by and among: the **Board of Commissions of Allegany County, Maryland**, a body corporate and politic of the State of Maryland having as a mailing address: 701 Kelly Road, Cumberland, Maryland 21502, Attn.: Jason Bennett, County Administrator (hereinafter referred to as "County"); **D.R. Horton, Inc.** having as a mailing address: 137 Mitchells Chance Road, Suite 400, Edgewater, Maryland 21037 (hereinafter referred to as "Developer"); and **Residential Title & Escrow Company Commercial Settlement Services, LLC**, 100 Painters Mill Road, Suite 200, Owings Mills, MD 21117, Attn: Howard Perlow (hereinafter referred to as "Escrow Agent").

W I T N E S S E T H

WHEREAS, County and Developer have entered into that Land Development Agreement having an Effective Date of _____ (hereinafter referred to as the "Contract") as to certain real property situated in Allegany County, Maryland (hereinafter referred to as the "Property"); and

WHEREAS, County and Developer have appointed Escrow Agent to hold all earnest money under the Contract in accordance with the terms of the Contract and this Agreement.

NOW, THEREFORE, in furtherance of the transaction contemplated hereby and for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. County and Developer hereby designate, constitute and appoint Escrow Agent as the "Escrow Agent" under this Agreement to hold all earnest money under the Contract (hereinafter referred to as the "Escrow Funds"), and Escrow Agent accepts such designation and appointment and agrees to act in accordance with the terms of the Contract and this Agreement. In the event or a conflict between the terms of this Agreement and those of the Contract, the terms of the Contract shall control. County and Developer agree (a) that Escrow Agent shall be a stakeholder only and not liable for any losses, costs or damages it may incur in performing its responsibilities hereunder unless such losses, costs or damages shall arise out of the willful default or negligence of Escrow Agent or its agents, (b) that no releases or disbursements shall be made hereunder except upon consistent written instructions from both County and Developer or their successors or assigns; and (c) that in the event of a dispute hereunder between County and Developer (or their successors or assigns), Escrow Agent shall have the right, exercisable in its sole and absolute discretion, to be discharged by tendering unto the registry or custody of any court of competent jurisdiction, the closing documents and Escrow Funds held by Escrow Agent, together with any such legal pleadings as it deems appropriate. Escrow Agent shall be indemnified, saved and held harmless by the County and Developer for all of its expenses, costs and reasonable attorney's fees incurred in connection with such interpleader action.

2. Upon receipt of consistent written instructions from both County and Developer, or their respective counsel, then Escrow Agent shall disburse the Escrow Funds held in escrow in accordance with the written instructions signed by both Developer and County, or their respective counsel. Said written instructions may be given in duplicate counterparts and by facsimile or e-mail. Escrow Agent shall have the right to deduct any costs Escrow Agent has incurred for overnight delivery charges or wire transfer fees from the Escrow Funds held prior to disbursement.

3. All checks, money orders or drafts deposited with Escrow Agent under this Agreement will be processed for collection in the normal course of business. Escrow Agent will not commingle Escrow Funds received by it in escrow with funds of others and shall deposit the Escrow Funds in a separate escrow account with a federally insured Bank (hereinafter referred to as the "Depository Bank"). Escrow Agent shall not be liable for any loss caused by the failure, suspension, bankruptcy or dissolution of any such investment vehicle or fund.

4. Escrow Agent shall not be liable for any loss or damage resulting from the following:

(a) Any default, error, action or omission of any other party;

(b) The expiration of any time limit unless such time limit was known to Escrow Agent and such loss is solely caused by failure of Escrow Agent to proceed in its ordinary course of business;

(c) Any loss or impairment of the Escrow Funds while on deposit with the Depository Bank resulting from failure, insolvency or suspension of such institution; or

(d) Escrow Agent's complying with any and all legal process, writs, orders, judgments and decrees of any court whether issued with or without jurisdiction and whether or not subsequently vacated, modified, set aside or reversed.

5. Escrow Agent shall be entitled to rely upon the instructions and other matters covered thereby, and shall not be required to investigate the authority of the person executing and delivering such instructions, or otherwise verify the accuracy of the statements of information presented therein.

6. The terms and provisions of this Agreement are for the benefit of County, Developer and Escrow Agent and their respective successors and assigns only. Nothing contained herein shall be deemed or construed to inure to the benefit of any other person or party, it being the express intent of County, Developer and Escrow Agent that no such person party shall be entitled to any of the benefits hereof, except as herein expressly provided.

7. Time is of the essence of this Agreement.

8. This Agreement is intended as a contract under the laws of the State where the Property is located and shall be governed thereby and construed in accordance therewith.

9. This Agreement may be executed by signatures delivered via facsimile or e-mail, which for all purposes shall be deemed to constitute originals. This Agreement may be executed in counterparts, all of which when taken together shall be deemed one original.

10. Any interest earned on the Escrow Funds held in escrow shall accrue to the benefit of Developer, whose tax identification number is 75-2386963.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the day, month and year first above written.

County:

Developer:

**Board of Commissions of Allegany County, D.R. Horton, Inc.
Maryland**

By: _____

By: _____

Print Name: _____

Print Name: Joanie McCann

Title: _____

Title: Vice President of Operations

Date: _____

Date: _____

Escrow Agent:

**Residential Title & Escrow Company Commercial
Settlement Services, LLC**

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT “C”**CLOSING SCHEDULE**

The “**Initial Closing Date**” shall be that date which is Thirty (30) days after the later of: (a) the Substantial Completion Date, or (b) the date Developer issues a Notice of Suitability pursuant to Section 6 of this Agreement. Subject to the restrictions set forth under Section 3(B) of the Agreement, Developer may purchase Lots prior to the Initial Closing Date or prior to any applicable subsequent Closing Date; however, such early closing shall not change the Initial Closing Date or any applicable subsequent Closing Date.

Developer shall purchase Lots in accordance with the following schedule:

Takedown Date:	Total Lots	Grading Mix
On the Initial Closing Date, Developer shall purchase the following Lots (the “Initial Closing”)	11	To be determined based upon Site Concept Plan as provided in Section 8 above.
3 months after the Initial Closing Date, Developer shall purchase the following Lots (the “Second Closing”)	11	To be determined based upon Site Concept Plan as provided in Section 8 above.
3 months after the Second Closing Date, Developer shall purchase the following Lots (the “Third Closing”)	14	To be determined based upon Site Concept Plan as provided in Section 8 above.
3 months after the Third Closing Date, Developer shall purchase the following Lots (the “Fourth Closing”)	11	To be determined based upon Site Concept Plan as provided in Section 8 above.
3 months after the Fourth Closing Date, Developer shall purchase the following Lots (the “Fifth Closing”)	13	To be determined based upon Site Concept Plan as provided in Section 8 above.
3 months after the Fifth Closing Date, Developer shall purchase the following Lots (the “Sixth Closing Date”)	5	To be determined based upon Site Concept Plan as provided in Section 8 above.

Developer may elect to purchase Lots prior to the Initial Closing Date and prior to any subsequent Closing Date thereafter and such advance purchase of Lots shall be deemed an additional interim closing under the Agreement (“**Interim Closing**”) and shall not alter, amend, or accelerate the date of the Initial Closing or the Closing Schedule set forth in this **Exhibit C** but shall be credited against Developer’s takedown closing obligations under this Closing Schedule.

EXHIBIT C-1

EARNEST MONEY CREDIT CLOSING SCHEDULE

The Earnest Money shall be credited against the portion of the Purchase Price payable at each of the Closings and in the amounts specified in the following schedule (the “EM Closing Credits”):

Takedown Date:	EM Closing Credit
The Fourth Closing	\$66,666.66
The Fifth Closing	\$66,666.67
The Sixth Closing	\$66,666.67

EXHIBIT "D"

GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT (this "**Assignment**") is made as of the ____ day of _____, 20__, by the Board of County Commissioners of Allegany County, Maryland, a body corporate and politic of the State of Maryland ("**County**"), to D.R. Horton Inc., a Delaware corporation ("**Developer**").

WHEREAS, of even date herewith, County has conveyed to Developer the lots described in Exhibit "A" attached hereto ("**Lots**"), together with all improvements (the "**Improvements**") located thereon (the Lots and Improvements are referred to herein collectively as the "**Property**"); and

WHEREAS, and Developer intend that County also convey to Developer all of the Conveyed Property Rights (as hereinafter defined).

NOW, THEREFORE, County, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, hereby agrees as follows:

1. County has GRANTED, BARGAINED, SOLD, CONVEYED and ASSIGNED, and by these present does hereby GRANT, BARGAIN, SELL, CONVEY and ASSIGN to Developer all of County's right, title and interest in and to the following, but only to the extent same pertain to the Property ("**Conveyed Property Rights**"):

(a) all surveys, engineering, soils, seismic, geological, environmental, reports, studies and certificates and other technical descriptions;

(b) all warranties, guaranties and indemnities received from third parties, and all claims, demands and causes of action against third parties, but only to the extent they are for the benefit of, and applicable to, the Property or the owner thereof, including, without limitation, any warranties, guaranties, indemnities, contractual rights, claims, demands and causes of action pertaining to the development, construction, design or completion of the Property and/or the common areas, streets, utilities or other subdivision infrastructure;

(c) all licenses, permits, governmental approvals, utility commitments, utility rights (including rights to capacity or service), drainage and detention rights, development rights or other similar rights, inclusive of any prepaid impact fees, impact fee credits or other similar development credits;

(d) all rights under any plats (preliminary or final) of any portion of the Property or any rights-of-way abutting the Property or any portion thereof, including any boundary plats and any right-of-way plats, submitted, approved or recorded;

(e) all unpaid awards or proceeds, including awards in connection with insurance and any eminent domain taking;

(f) all rights of the County as the Declarant under that any property declaration of covenants, conditions and restrictions ("**Declaration**") as to the Property;

and

(g) all other rights, powers, privileges, options, or other benefits associated with, that pertain to, are attributable to, are appurtenant to, apply to, or which otherwise benefit the Property.

TO HAVE AND TO HOLD the Conveyed Property Rights unto Developer and Developer's successors and assigns forever.

2. This Assignment shall be binding on County, its successors and assigns, and shall inure to the benefit of Developer, its successors and assigns.

3. This Assignment does not constitute an assumption of any liability or obligation by Developer, nor shall it be deemed to impose on Developer any liability or obligation. This Assignment is made WITHOUT RECOURSE. Furthermore, County assigns the Conveyed Property Rights only to the extent they may exist and in fact be assignable, and without any representation or warranty whatsoever.

4. County and Developer will each cooperate with each other, their employees, and agents to facilitate the purpose and intent of this Assignment including, without limitation, the providing of information and documentation that may be reasonably required for the enforcement of the rights and interests assigned hereby.

5. This Assignment may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

EXECUTED as of the date first above written.

NOTE: EXHIBIT ONLY – DO NOT EXECUTE.

EXHIBIT E-1

ADDITIONAL DEVELOPMENT SPECIFICATIONS

1. Lot building area shall allow construction of a structure in accordance with the applicable zoning regulations of the Governing Jurisdiction while taking into account all building setback requirements and side slope encroachments (the "Building Pad").
2. Driveways for each Lot shall not exceed a 10% slope from the back of the Right of Way Line to the Front Setback Line and each Lot shall be built where the slope of the rear yard does not exceed 5% within the first fifteen feet (15') measured from the rear of the Building Pad and where no slope on any lot shall exceed 20%.
3. Sidewalk and right-of-way areas are to be graded with a minimal slope from the property line to the top of the curb or as may be required by the applicable governing agency.
4. Prior to Closing, all municipal and utility services of all governmental agencies are to be available to the Lots and sufficient for service to the Lots for single-family dwellings.
5. County shall provide Developer with evidence acceptable to Developer that all the streets in the Tract have been constructed to the Governing Jurisdiction standards for public and private streets as to those streets to be maintained by the HOA as provided for in the Plat sufficient to serve the Tract and to the Governing Jurisdiction's standards for public streets, and have been publicly dedicated as to those streets provided for in the Plat to be public streets and either have been accepted for maintenance by the applicable Governing Jurisdiction or are subject to a current maintenance bond posted with the governing authority, which bond has not been drawn on.
6. County shall provide Developer with certification that operable water and sewer taps are available to each of the Lots.
7. County shall provide Developer with written certification from the Governing Jurisdiction that building permits are obtainable from the appropriate governmental agencies for the construction of single-family homes on the Lots.
8. County shall provide Developer with certification from the Governing Jurisdiction that the Lots are served by permanent underground electricity and all transformers are set.
9. The Lots shall be reasonably cleared of any trash, debris, brush and other materials, and all easements and rights-of-way have been graded, seeded and strawed as may be required by the Governing Jurisdiction.
10. The Lots shall have no waste disposal or buried debris of any kind located within the building site as determined by the setback requirements for each Lot. County shall indemnify Developer from any suits or judgments brought against Developer as a result of County or County's agents burying materials of any kind within the building setback limits. County agrees that it will notify Developer in writing, at least twenty (20) days prior to the Closing of the exact location (by use of plat prepared from a survey) of any area which County has used as a burial pit.

11. County shall provide Developer with written certification from the United States Postal Service that the Lots are approved for mail service to a mail box located at the curb in the front of each Lot or to a mail box center located within the Tract on common area that is owned or will be conveyed to the HOA prior to the Initial Closing, in which event County shall construct or cause to be constructed such mail box center prior to the Initial Closing.

12. County shall provide Developer with written certification from the applicable governmental authority stating that the names of all streets reflected on the Plats have been accepted and approved for E-911 addressing purposes.

13. The Lots shall accommodate Developer's slab on grade homes.

14. County shall provide all on and off-site improvements, including a balanced earth condition.

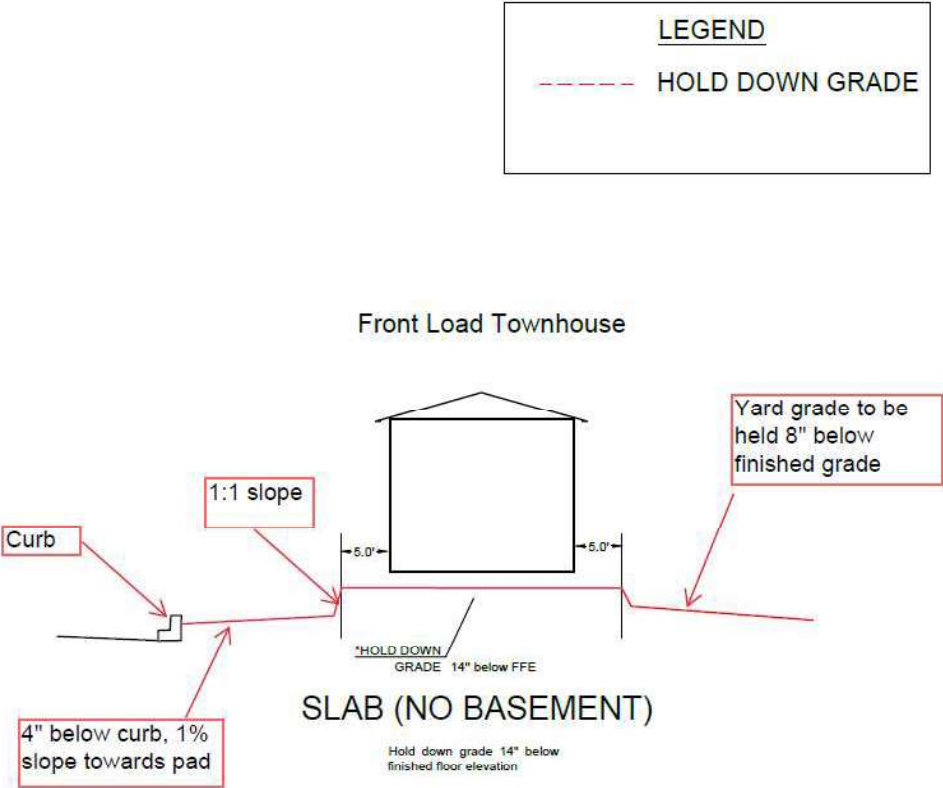
15. County shall provide Developer with written evidence that County has requested underground telephone service from the appropriate telephone company for the Lots.

16. County shall provide Developer with written certification that County has caused the Lots to be graded in accordance with the Developer's Grading Scheme set forth in subsection 12.n. of this Agreement, and that County has complied with Developer's rock blasting requirements set forth in subsection 12.n. of this Agreement.

17. County shall grade the Lots such that upon foundation excavation, the spoils can be spread upon the Lot without the need for the import or export of such spoils.

18. County shall install and maintain all common area improvements, including entry monumentation and all landscaping within the common areas and buffer areas on the Tract.

EXHIBIT E-2
DEVELOPER'S GRADING SCHEME



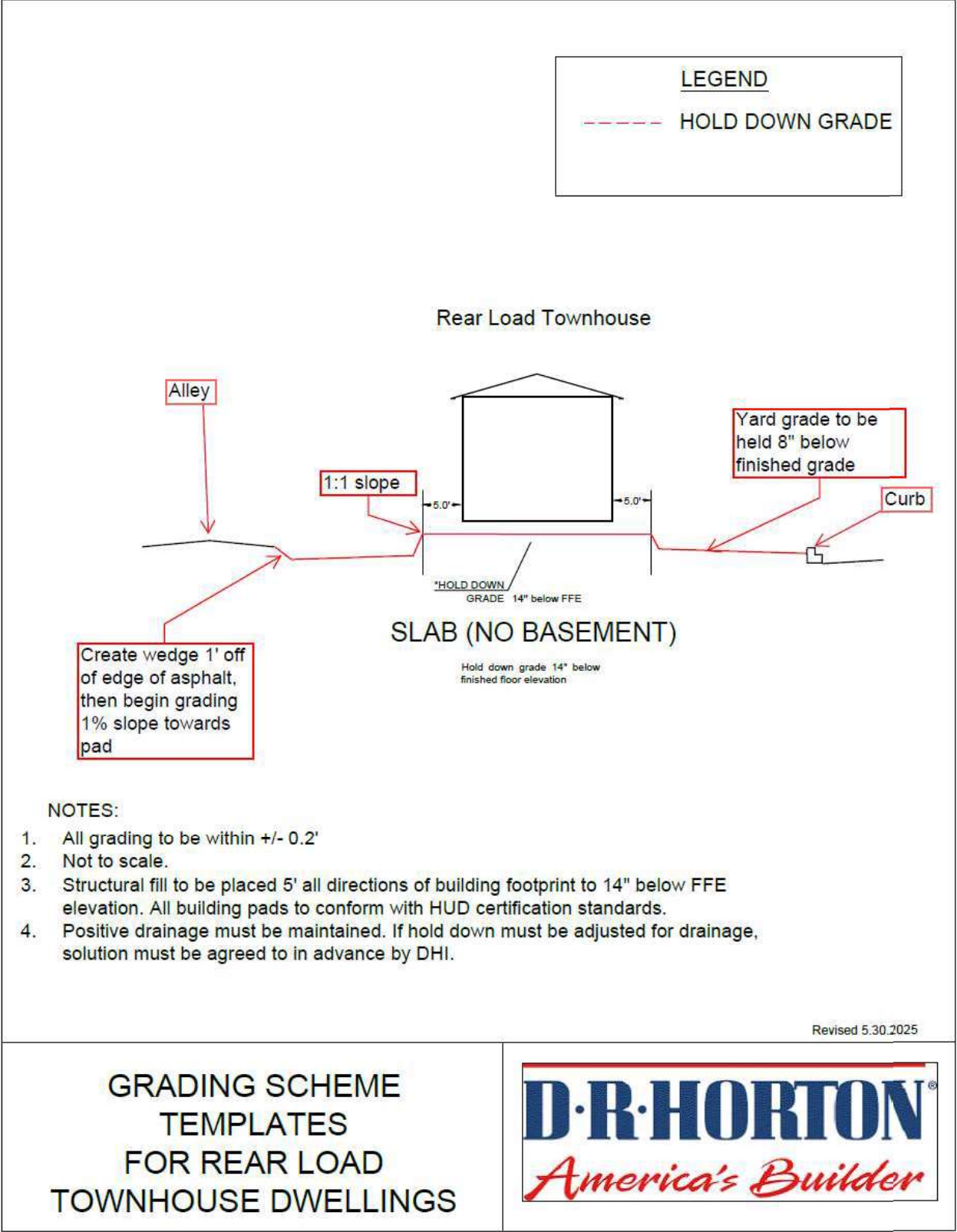
NOTES:

- 1. All grading to be within +/- 0.2'
- 2. Not to scale.
- 3. Structural fill to be placed 5' all directions of building footprint to 14" below FFE elevation. All building pads to conform with HUD certification standards.
- 4. If hold down must be adjusted for drainage, solution must be agreed to in advance by DHI.

Revised 5.30.2025

GRADING SCHEME
TEMPLATES
FOR FRONT LOAD
TOWNHOUSE DWELLINGS

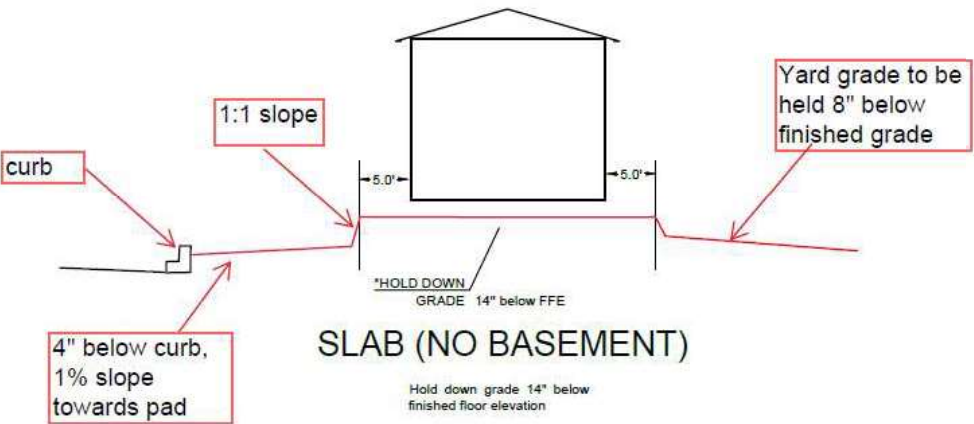




LEGEND

HOLD DOWN GRADE

Single Family Slab on Grade



NOTES:

- 1. All grading to be within +/- 0.2'
- 2. Not to scale.
- 3. Structural fill to be placed 5' all directions of building footprint to 14" below FFE elevation. All building pads to conform with HUD certification standards.
- 4. Positive drainage must be maintained. If hold down must be adjusted for drainage, solution must be agreed to in advance by DHI.

Revised 5.30.2025

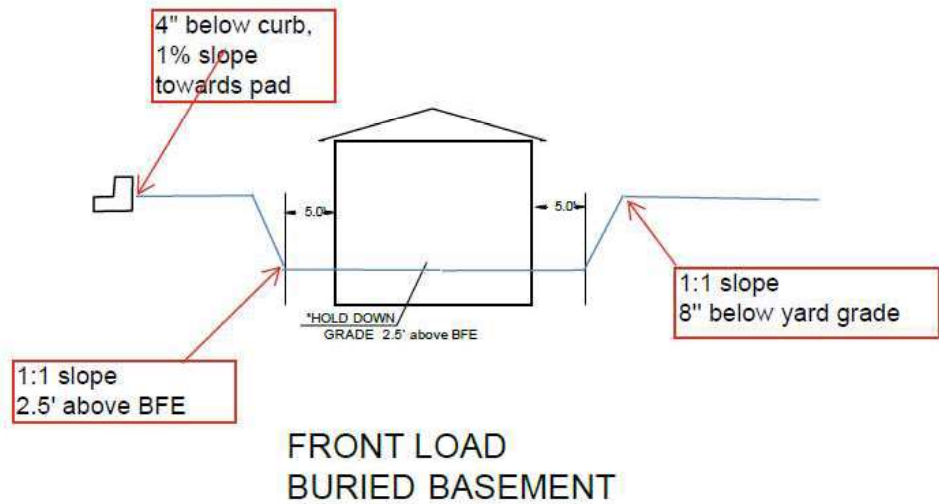
GRADING SCHEME
TEMPLATES
FOR SFD SLAB ON
GRADE



Revised 5.30.2025

LEGEND

HOLD DOWN GRADE

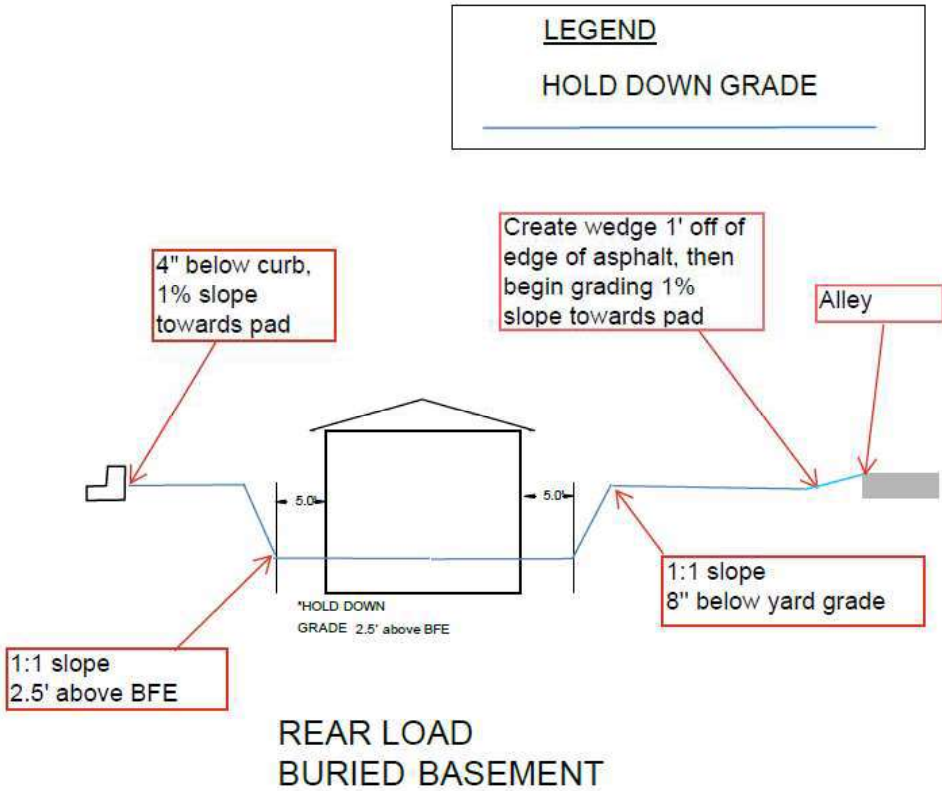


NOTES:

- 1. All grading to be within +/- 0.2'
- 2. Not to scale
- 3. Structural fill to be placed 5' all directions of building footprint to 1' above BFE elevation. All building pads to conform with HUD certification standards.
- 4. Positive drainage must be maintained. If hold down must be adjusted for drainage, solution must be agreed to in advance by DHI.

GRADING SCHEME TEMPLATES FOR SFD FL BURIED BASEMENT DWELLINGS	D·R·HORTON® America's Builder
---	---

Revised 5.30.2025



NOTES:

- 1. All grading to be within +/- 0.2'
- 2. Not to scale.
- 3. Structural fill to be placed 5' all directions of building footprint to 1' above BFE elevation. All building pads to conform with HUD certification standards.
- 4. Positive drainage must be maintained. If hold down must be adjusted for drainage, solution must be agreed to in advance by DHI.

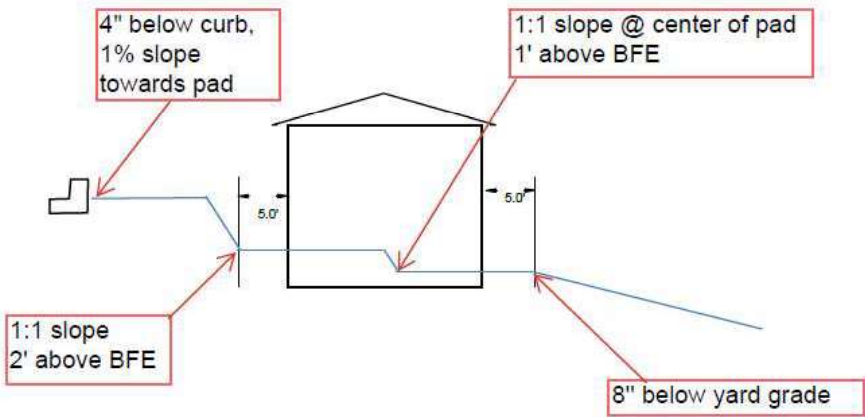
GRADING SCHEME
TEMPLATES
FOR SFD RL
BURIED BASEMENT
DWELLINGS



Revised 5.30.2025

LEGEND

HOLD DOWN GRADE



WALK-OUT BASEMENT

NOTES:

- 1. All grading to be within +/- 0.2'
- 2. Not to scale.
- 3. Structural fill to be placed 5' all directions of building footprint to 1' above BFE elevation. All building pads to conform with HUD certification standards.
- 4. Positive drainage must be maintained. If hold down must be adjusted for drainage, solution must be agreed to in advance by DHI.

GRADING SCHEME
TEMPLATES
FOR SFD DWELLINGS
WALKOUT



EXHIBIT E-3

Development Responsibility Checklist

Description	Developer	County
Topo Survey		X
Preliminary and/or Final Plat.....		X
Development Plan (if applicable).....		X
Grading Plans		X
Preliminary and/or Final Site Plan.....		X
Grade Establishment.....		X
Subdivision Bonds.....		X
Bond and Inspection Fees Site Improvement		X
Erosion Control Initial Installation		
(a) Storm inlet protection		X
(b) Silt control pads.....		X
(c) Rip-rap and swales		X
(d) Silt fence		X
Flood Plain.....		X
Storm Water Management.....		X
Preparation of All Site Construction		
Drawings		X
Site Development Plans.....		X
Alternate Grading Plan**.....		X
Acquisition of Off-Site Easements.....		X
All Site Development Stakeout		X
House Stakeout	X	
Electric and Telephone Control Stakeout.....		X
Lot Corners (One Time), Metal Pins		
When Requested		X
Computations-House Stakeout.....	X	
Wall Checks	X	
Final Lot Survey**	X	
Description of Easements.....		X
Covenants and HOA.....		X

Description	Developer	County
Reproduction and Blueprints		
(Six Sets Approved Plans)		X
Landscaping - On Lot Trees in accordance with Lot Tree Plan, All Seeding	X	
Landscaping - Common Area and Right of Way		X
Fences and Walls (On Lot and not on the Plans).....	X	
Retaining Walls (On Lot and not on the Plans)	X	
Fences and Walls (if required by the Plans).....		X
Retaining Walls		
(If required by Plans).....		X
Erosion Control Maintenance		
(Only After Release to Developer)	X	
Compaction and Certification		
(Site Development, pads and slopes)		X
Paving		X
Curb and Gutter**		X
Driveway Aprons	X	
Sewer (Developer Installs Line From Tap to House).....		X
Water (Developer Installs Line from Tap to House).....		X
Drainage.....		X
Sewer Laterals/Development Plans.....		X
Water Meters VAULT.....		X
Clearing Lots		X
Mass Grading – Lots		X
Finish and Fine Grading Lots.....	X	
Underground Telephone to Property		
Boundary		X
Underground Telephone from Property		
Boundary to Lot line		X
Underground Electric to Property Boundary.....		X
Underground Electric from Property		
Boundary to Lot line		X
Underground Gas to Property Boundary.....		X

Description	Developer	County
Underground Gas from Property to Boundary to Lot line		X
Processing and Coordination of Installation		
of Underground Utilities	X	X
Fees - Underground Electric (House)	X	
Building and Plumbing Permit Fees	X	
Sewer and Water Tap Fees		
(For House Service)	X	
Storm Outfall Fencing		X
Traverse Controls and Bench Marks		
(Furnish Developer Engineer)		X
Street Signs		X
Designate and Mark fire lanes.....		X
Sidewalk Common		X
Sidewalk (Lead Walk) on Lot	X	
Asphalt or Natural Trails		
(On Lot or Common Area)		X
Backfill Sediment Basins.....		X
Flag Trees for On Lot Clearing		X
Erosion Control and Storm Water Management		X
(a) Offsite (Public Streets and ROW).....		X
(b) Lots Onsite.....	X	
(c) Adjacent Open Space Within Lot Area.....	X	
Repairs:		
(Damage Caused by Developer is Developer's Responsibility or Cost of Repair Reimbursed to County)		
(a) Public Street.....		X
(b) Curb and Gutter		X
(c) Sidewalks.....		X
(d) Driveway aprons.....		X
Public Street Lights (in right of way or on common property)		X
Recreation Facilities on Site (if any)		X
Lighting Walkways Within Site (If Required).....		X
Play Lot on Site (if required)		X
Impact and related Fees (not including cash proffers paid as part of building permits application).....	X	

Description	Developer	County
Mailboxes	X	

EXHIBIT F

FORM OF INSPECTION REPORT



PRE-CLOSING LOT INSPECTION FORM

Community Name: _____

• Lot/Block Numbers _____

• Date of Inspection: _____

Check One:

_____ The Lots are in compliance with the Conditions to Closing specified in the Lot Purchase Agreement.

_____ The Lots are not in compliance with the Conditions to Closing specified in the Lot Purchase Agreement. Within days the County must address the following items (please write legibly):

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

• _____ The Lot was re-inspected on _____ and it was determined that it complies with the _____ Conditions to Closing specified in the Land Development Agreement.

COUNTY:

By: _____

Name: _____

Title: _____

Date: _____

D.R. HORTON, INC. (Land Manager)

By: _____

Name: _____

Title: _____

Date: _____

Other Attendees:

By: _____

Name: _____

Title: _____

Date: _____

D.R. HORTON, INC. (Construction Manager)

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT G

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT (this “**Memorandum**”) made this _____ day of _____, 20____, (the “**Effective Date**”) by and between **Board of County Commissioners of Allegany County, Maryland**, a body corporate and politic of the State of Maryland, (the “**County**”) and **D.R. Horton, Inc.**, a Delaware corporation (the “**Developer**”).

This Memorandum is prepared for purposes of recordation and to notify the public that Developer and County have entered into an agreement for the exclusive right to purchase 21 single family detached Lots and 44 single family attached Lots (the “**Property**”) as set forth under the Land Development Agreement with an effective date of _____, 20____, between Developer and County (the “**Agreement**”).

This Memorandum shall not alter or affect in any manner the rights and obligations of County or Developer in the conveyance of the Lots as set forth under the Agreement. In the event of any conflict between this Memorandum and the terms of the Agreement, the terms of the Agreement shall prevail.

The Agreement provides, among other things, that as of the date on which County executed the Agreement and continuing through the date of any future Closing, County shall not voluntarily convey or encumber any portion of the Property or any rights therein, nor enter into any conveyance, security document, option, right of first refusal, easement, lease or other agreement granting to any person or entity any rights with respect to the Property, or any interest therein.

This Memorandum shall remain in effect until all Lots are purchased under the Agreement but shall not remain in effect beyond twenty (20) years after the Effective Date.

To facilitate execution, this Memorandum may be executed in duplicate, and it shall not be necessary that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on more than one counterpart. All counterparts shall collectively, constitute a single Memorandum.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement to be effective as of the date first above written.

ATTEST/WITNESS

**BOARD OF COUNTY COMMISSIONERS
OF ALLEGANY COUNTY, MARYLAND**

By: _____
David J. Caporale, President

STATE OF _____
COUNTY OF _____

ON THIS _____ day of _____, 20____, before me, the undersigned personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to within the instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires: _____

ATTEST/WITNESS:

DEVELOPER:

D.R. HORTON, INC.

_____ By: _____
Name: _____
Title: _____
Date: _____

STATE OF _____
COUNTY OF _____

ON THIS _____ day of _____, 20____, before me, the undersigned personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to within the instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires: _____

EXHIBIT H

MEMORANDUM OF UNDERSTANDING

This **MEMORANDUM OF UNDERSTANDING** (this “**MOU**”), dated as of _____, 2026 (the “**Effective Date**”), by and between D.R. HORTON, INC., a Delaware corporation (hereinafter, “**Developer**”) and THE BOARD OF COUNTY COMMISSIONERS OF ALLEGANY COUNTY, MARYLAND, a body corporate and politic of the State of Maryland (hereinafter, the “**County**”). Developer, and County are sometimes referred individually as a “**Party**” and collectively as the “**Parties**.”

BACKGROUND

- A. The County is the owner of certain lands situated in Allegany County, Maryland, and identified as Allegany County Tax Parcel No. 06-005659 and more specifically described in Exhibit A attached hereto and incorporated herein (the “**Development Site**”).
- B. The County and Developer are parties to a Land Development Agreement dated _____, 2026 (as amended, the “**Land Development Agreement**”) pursuant to which, among other things, Developer has the right to purchase the Development Site from the County. Subject to the terms and conditions set forth in the Land Development Agreement, it is contemplated that certain residential lots created by that certain Final Plat of Subdivision dated _____, 2026 (the “**Lots**”) on the Development Site will be conveyed to Developer and Developer will construct single-family and townhome residences (the “**Project**”). The transactions contemplated by the Land Development Agreement are referred to as a “**Lot Conveyance**” and the closing of those transactions is referred to as a “**Lot Closing**”.
- C. In connection with each Lot Conveyance, the Developer and the County are willing to work together in good faith to establish a maximum retail list price at which the Lots, dependent on product type, shall be marketed for sale by Developer to the public (exclusive of closing costs) (the “**Retail Purchase Price Schedule**”) based on the parties’ collective considerations of the following market conditions: (i) Developer’s updated entitlement, engineering, development, and construction costs; and (ii) the County’s affordability metrics with respect to comparable single-family residences and townhomes in the surrounding residential development areas of the Subdivision in Allegany County.
- D. In furtherance of and in order to achieve the Parties respective profit and affordability goals, the Developer and the County have agreed to coordinate, negotiate, and undertake good faith efforts to achieve a consensus on the Retail Purchase Price Schedule at least sixty (60) days in advance of each Lot Closing.

NOW, THEREFORE, and in consideration of the mutual promises contained herein, and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Retail Purchase Price for the [] Closing. Contemporaneously with the [] Closing, the Developer and the County have agreed on the following Retail Purchase Price Schedule:

Retail Purchase Price Schedule

Type of Residential Improvement	Retail Purchase Prices
2 Story SF	\$[____,____.____]
Ranches	\$[____,____.____]
Villas	\$[____,____.____]
Townhomes	\$[____,____.____]

2. Developer's Contingencies to Retail Purchase Price Schedule.

(a) Notwithstanding anything contained in this MOU to the contrary and subject to the terms and conditions of the subdivision plat, Horton shall have the right to terminate this MOU at any time prior to the Lot Closing for the [_____] Closing, time being of the essence.

(b) Notwithstanding any other provisions of this MOU to the contrary, a critical component of the Retail Purchase Price Schedule is based on the current market prices and availability of the building materials and components required for the Developer to construct residential homes (for example only, and without limitation, roofing, concrete, plywood, lumber, structural steel, drywall, plumbing and electrical products containing copper, appliances, etc.) (collectively, "**Building Materials**"). The County and Developer recognize that the market for these Building Materials can be volatile, and sudden increases in the price of the Building Materials and Building Materials shortages can occur based on national and international events that affect the market for such Building Materials. Accordingly, if following the date of this MOU an increase in the cost of Building Materials occurs, through no fault of the Developer (a "**Building Materials Cost Increase**"), then the Developer shall be entitled to increase the Retail Purchase Price Schedule in the amount of the actual additional cost incurred or to be incurred by Developer to obtain the Building Materials (a "**Cost Increase Adjustment**"). Upon determination of the Cost Increase Adjustment pursuant to this Section 2(b), the parties shall promptly execute an amendment to this MOU stating the increased Retail Purchase Price Schedule so determined.

(c) In connection with the parties' negotiations of the Retail Purchase Price Schedule and/or the implementation of the Cost Increase Adjustment, the County shall have the right subject to and in accordance with the following terms and conditions of this Section 2(c) to request that Developer provide reasonable substantiation of the Building Material costs, which shall be evidenced by a statement that identifies (i) the general category of Building Materials and actual pricing for said Building Materials; and (ii) the total actual cost incurred or to be incurred in Developer's acquisition of the Building Materials (the "**Building Cost Statement**") in form substantially as shown by **Exhibit "K"** attached hereto and incorporated herein. The County shall exercise its right to review the Building Cost Statement by giving Developer written notice of such request, and Developer shall

produce such Building Cost Statement within twenty (20) days after receipt of the County's written notice thereof; provided, however, in the event Developer fails to deliver the Building Cost Statement within twenty (20) days following the County's request thereof, then the County shall deliver Developer written notice of such failure (the "**Reminder Notice**"), in which event, notwithstanding the failure identified in such Reminder Notice, Developer shall be deemed to have timely delivered the monthly written updates as long as the same is delivered to the County within ten (10) business days following Developer's receipt of the Reminder Notice. In no event shall Developer's failure to deliver the Building Cost Statement be considered a default by Developer under this MOU. In connection with the disclosure of the Building Cost Statement to the County in accordance with this Section 2(c), Developer shall not be obligated or required to provide to County any such reports, investigations, analyses, and/or other documents which constitute proprietary information of Developer, or which are privileged and confidential pursuant to a recognized legal privilege (such as attorney-client communication and/or attorney work product) as deemed by Developer in its sole and absolute discretion. The Building Cost Statement shall be final and conclusive.

3. Authority.

(a) Developer is a corporation, duly organized and validly existing and in good standing under the laws of the State of Delaware, and is duly qualified to do business in the State of Maryland and to enter into this MOU and undertake the obligations provided for herein.

(b) The County is an instrumentality of the State of Maryland and has the full and unrestricted lawful power and authority to enter into and carry out the terms of this MOU. The execution, delivery and performance of this MOU and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved, and this MOU and any and all other agreements, documents and instruments contemplated hereby or thereby, will constitute a valid and binding agreement of the County, enforceable in accordance with its terms. For purposes of this MOU and the fulfillment of all terms, provisions, conditions and agreements set forth herein, County shall also include and incorporate Allegany County Public Schools, as relevant and applicable.

4. Miscellaneous.

(a) Recitals. The Recitals set forth above are true and correct and are incorporated herein by reference.

(b) Attorneys' Fees. The Parties agree that in the event a dispute arises regarding any term, performance, or enforcement of this Agreement, the prevailing Party shall be entitled to receive, and the non-prevailing Party shall be obligated to pay, the prevailing Party's reasonable attorney's fees and costs.

(c) Applicable Law. This MOU shall be construed, interpreted, and enforced in accordance with the laws of the State of Maryland, without regard to choice of law provisions.

(d) Binding Effect. This MOU shall be binding upon, and shall inure to the benefit of, the Parties, and their respective successors and assigns. The Parties shall be entitled to specifically enforce the terms and provisions of this MOU, this being in addition to any other remedy or remedies to which the Parties may be entitled at law or in equity. Notwithstanding the foregoing, none of the Parties hereto shall be liable to any other Party for any consequential, indirect, exemplary, punitive, special, or incidental damages arising from or in any way relating to this MOU, without regard to whether a Party had prior notice of the possibility of such damages.

(e) Time. Time is of the essence as to all terms in this MOU. If the last day under any notice, or the last day to perform any obligation hereunder falls on a Saturday, Sunday or legal

holiday, then the time for performance shall be extended to the next day which is not a Saturday, Sunday or legal holiday. A "legal holiday" is any weekday on which federally insured banks are not required to be open for business in Allegany County, Maryland.

(f) Counterparts. The Parties may execute this MOU in counterparts. Each executed counterpart will constitute an original document, and all counterparts combined together will constitute a complete and binding Agreement with respect to the Parties hereto. This Agreement may be executed by facsimile, by .pdf or other electronic signature, or by original. A facsimile, .pdf, or other electronic signature transmission of a signed original shall have the same effect as an original signature. This Agreement may be executed by DocuSign or similar electronic signature software, in such event, the signature shall include a Certificate of Completion or other electronic receipt demonstrating that the authorized person signed the instrument.

(g) Modification or Waiver. Subject to Section 2 above, no modification, waiver, or amendment of any provision of this MOU shall be implied from any course of conduct or shall be effective unless set forth in a written agreement executed by all Parties hereto.

(h) Ratification. NOTWITHSTANDING ANY OTHER PROVISION HEREIN, NEITHER THIS MEMORANDUM OF UNDERSTANDING NOR ANY AMENDMENT HERETO SHALL BE A VALID, BINDING AND ENFORCEABLE OBLIGATION OF DEVELOPER UNLESS AND UNTIL SUCH DOCUMENT IS RATIFIED IN WRITING BY ONE OF THE FOLLOWING EXECUTIVE OFFICERS OF DEVELOPER: DAVID V. AULD, BILL W. WHEAT, MICHAEL J. MURRAY, PAUL J. ROMANOWSKI OR JONATHAN DAVERN

(i) Notices. All notices required or permitted to be given hereunder shall be in writing and shall be deemed given: (a) upon hand-delivery, receipt required, (b) the next business day after deposit with Federal Express, UPS or other nationally recognized overnight courier service, or (c) when transmitted via facsimile or e-mail, provided a copy is sent the next business day by method (a) or (b) or by regular first-class U.S. Mail. All notices shall be addressed as follows:

<u>If to D.R. Horton, Inc.:</u>	Jonathan Davern, Region Vice President D. R. Horton, Inc. 2040 Briggs Road, Suite A Mt. Laurel, NJ 08054 Phone: (267) 520-3333 Fax: (800) 570-2807 E-mail: jdavern@drhorton.com
<u>With a copy to:</u>	D.R. Horton, Inc. 2040 Briggs Road, Suite C Mt. Laurel, New Jersey 08054 Attn: Region Counsel E-Mail: lkkellyjudd@drhorton.com
<u>And</u>	D.R. Horton, Inc. 1361 Horton Circle Arlington, TX 76011

	Attn: Mark Karnes, Esq. Email: mkarnes@drhorton.com
<u>And:</u>	Joanie McCann Vice President of Operations D. R. Horton, Inc. 137 Mitchells Chance Road, Suite 300 Edgewater, Maryland 21037 Email: JMMccann@drhorton.com
<u>AND</u>	Womble Bond Dickinson (US) LLP One West Fourth Street Winston-Salem, NC 27101 Attn: Kimberly A. Richards, Esq., Keith O. Hinder, Jr., Esq. Email: Kimberly.Richards@wbd-us.com; Keith.Hinder@wbd-us.com
<u>If to Board of County Commissioners of Allegany County:</u>	Board of County Commissioners of Allegany Count, MD Attn: Jason Bennett, County Administrator 701 Kelly Road Cumberland, MD 21502 JBennett@alleganygov.org With copy via email to: Lee Beeman, County Attorney Lbeeman@alleganygov.org

(j) No Partnership; Third Person. Nothing contained in this MOU shall, create any partnership, joint venture, or other arrangement between or among the Parties.

(k) Full Cooperation. The Parties shall cooperate fully to execute any and all supplementary documents necessary to effectuate this MOU, and shall take all additional actions that may be necessary to give full force and effect to the terms of the Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the Effective Date.

COUNTY:

**BOARD OF COUNTY COMMISSIONERS
OF ALLEGANY COUNTY, MARYLAND**

ATTEST

By: _____
David J. Caporale, President

DEVELOPER:

D.R. HORTON, INC.

Attest: _____

By: _____

Its: _____

Title: _____

As required above, the undersigned hereby ratifies this MOU on behalf of D.R. Horton, Inc.

Print Name: _____
Title: _____
Date: _____

[EXHIBIT A to Memorandum of Understanding]

[Legal description of Development Site]

EXHIBIT I

EARNEST MONEY NOTE

\$[_____]

Arlington, Texas

_____, 2026

FOR VALUE RECEIVED, the undersigned, **D.R. Horton, Inc.**, a Delaware corporation (“*Developer*”), promises to pay to **[County]** (“*County*”) the sum of [_____] (\$[_____]), with no interest, such sum to be due and payable subject to the terms of this Earnest Money Note, and subject to all of the terms and conditions of that certain Land Development Agreement, of even date herewith (as amended from time to time, the “*Contract*”), executed by and between County and Developer, regarding the purchase and sale of [_____] ([____]) fully developed residential lots located in Allegany County, Maryland, together with all rights, privileges, easements and interests appurtenant thereto (collectively, the “*Property*”). This Earnest Money Note is the earnest money note contemplated in the Contract and represents the Earnest Money, as such term is defined in the Contract. All terms and provisions of the Contract, including any provision for a credit to Developer against the outstanding balance due under this Earnest Money Note upon the purchase of any lots by Developer, are incorporated herein. Upon the occurrence of any event under the Contract whereby Developer is entitled to the return of the Earnest Money, then this Earnest Money Note shall be cancelled and of no further force or effect. If County has fulfilled all of its obligations pursuant to the Contract, and if Developer has committed an event of default under such Contract and received proper written notice of default as set forth in such Contract, and if Developer’s right to cure under such Contract has expired without cure by Developer, then the outstanding principal balance hereof shall thereupon be fully due and payable upon written demand by County to Developer.

This Earnest Money Note shall be returned uncollected to Developer upon the earlier of the termination of the Contract or the last closing under the Contract, as described and defined in the Contract. Upon such termination or closing of all of the Property, this Earnest Money Note shall be of no further force and effect, and County shall have no rights whatsoever to collect the whole or any part of this Earnest Money Note. In such event, County will return the original of this Earnest Money Note, if any, to Developer endorsed or otherwise marked or stamped as “Cancelled”. Not in limitation of the foregoing, upon any termination of the Contract whereby Developer is entitled to the return of the Earnest Money under the Contract and the cancellation and discharge of this Earnest Money Note, County covenants and agrees that County will deliver to Developer a written notice of the cancellation and discharge of this Earnest Money Note, and Developer and County agree that notice of such cancellation may be delivered electronically.

Execution of this Earnest Money Note by Developer may be accomplished by electronic signature utilizing DocuSign or any similar technology. Developer and County agree that this Earnest Money Note may be transmitted by facsimile machine or by electronic scanning and email, and the parties intend that the faxed, scanned, or electronic (DocuSign) signature of Developer shall constitute an original signature. A facsimile copy or any electronically scanned copy of this Earnest Money Note with the signature, original, faxed, scanned, or electronic (DocuSign) of Developer shall be binding on Developer.

This Earnest Money Note is not assignable by County except in connection with a permitted assignment of the Contract, and any assignment of this Earnest Money Note must be in writing. A copy of any assignment of this Earnest Money Note must be provided to Developer.

THE VALIDITY AND CONSTRUCTION OF THIS EARNEST MONEY NOTE AND ALL MATTERS PERTAINING HERETO ARE TO BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

THIS EARNEST MONEY NOTE SHALL NOT BE A VALID AND ENFORCEABLE OBLIGATION OF DEVELOPER UNLESS THIS EARNEST MONEY NOTE IS EXECUTED BY EITHER ONE OF DAVID V. AULD, BILL W. WHEAT, MICHAEL J. MURRAY, PAUL J. ROMANOWSKI OR JONATHAN DAVERN, EACH AN OFFICER OF DEVELOPER. ANY SUCH OFFICER EXECUTING THIS EARNEST MONEY NOTE IS ACTING ONLY IN A REPRESENTATIVE CAPACITY ON BEHALF OF DEVELOPER, AND NO OBLIGATION, DUTY, OR LIABILITY OF ANY KIND SHALL BE IMPOSED UPON SUCH OFFICER BY REASON OF HIS EXECUTION OF THIS EARNEST MONEY NOTE OR ANY MODIFICATION HEREOF. COUNTY COVENANTS THAT NO ACTION, SUIT, OR PROCEEDING OF ANY KIND SHALL BE BROUGHT AGAINST ANY SUCH OFFICER.

D.R. Horton, Inc., a Delaware corporation

By: _____

Name: _____

As Its: _____

EXHIBIT J

[FORM OF OWNER-OCCUPIED DECLARATION / DISCLOSURE ADDENDUM]

ADDENDUM REGARDING OWNER-OCCUPANCY

This Addendum is attached to and made a part of that Home Purchase Agreement (the “Agreement”) between «**BUYERS-LEGAL-NAMES-LIST**», as Purchaser, and «**SELLER-LEGAL-NAME**», as Seller, regarding that parcel of land located in «**PROJECT-COUNTY**» County, «**PROJECT-STATE**», briefly described as Lot «**PLAT-LOT**», «**COMMUNITY-NAME**», and referred to in the Agreement as the “Lot.” All terms defined in the main text of the Agreement shall have the same meanings when used in this Addendum. Purchaser and Seller hereby agree as follows:

1. Purchaser acknowledges that Seller is offering residences in the Subdivision for sale only to owner-occupants. Purchaser represents that he/she «**BUYER-RADIO-BUTTON--occupancy**» does / «**BUYER-RADIO-BUTTON--occupancy**» does not intend to occupy the Property as his/her residence after Closing.
2. Purchaser acknowledges that Seller has executed this Agreement in reliance upon Purchaser's representation contained in Paragraph 1 of this Addendum. In the event Purchaser's representation in Paragraph 1 above is inaccurate, Seller shall have the right to terminate the Agreement by written notice to Purchaser. In the event of such termination, the Earnest Money shall be returned to Purchaser and the parties shall have no further obligations to one another relating to this Agreement or the Property.
3. In the event of any conflict between the terms and provisions of the main text of this Agreement and the terms and provisions of this Addendum, the terms and provisions of this Addendum shall control.

Purchaser:

«**BUYER-SIGNATURE-LINE-BELOW-BLOCK**»
«**COBUYERS-SIGNATURE-LINES-BELOW-BLOCK**»

Seller:

«**SELLER-NAME-SIGNATURE-LINE-BELOW-BLOCK**»

For administrative purposes only:

«**SALES-REP-SIGNATURE-LINE-BELOW-BLOCK**»

EXHIBIT K

BUILDING COST STATEMENT

Date: _____
Closing #: _____

BUILDING STAGE*	BUILDING COST
Foundation	
Foundation Poured	
Frame	
Exterior Finish	
Mechanical Rough	
Insulation/Drywall	
Interior Finishes	
Mechanicals Final	
Flooring	
Other	

* Building Cost related to stage of new home construction.