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EXHIBIT A

DEVELOPMENT RIGHTS AND RESPONSIBILITIES AGREEMENT

By and Between

**TOWN OF EASTON,
TALBOT COUNTY, MARYLAND
and
SHORE HEALTH SYSTEM, INC.**

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145 **DEVELOPMENT RIGHTS AND RESPONSIBILITIES AGREEMENT**
146

147 THIS DEVELOPMENT RIGHTS AND RESPONSIBILITIES AGREEMENT
148 (“**Agreement**”) is made and entered into this _____ day of _____, 2013, by and between
149 SHORE HEALTH SYSTEM, INC., a Maryland corporation (“**SHS**”), the TOWN OF EASTON,
150 a municipal corporation, organized and existing under the laws of the State of Maryland
151 (“**Town**”), and TALBOT COUNTY, MARYLAND, a Maryland charter county (“**County**”).
152

153 **RECITALS**
154

155 This Agreement is entered into based upon the following facts:
156

157 A. The terms used in these Recitals have the meanings set forth in Paragraph 1.
158

159 B. Title 7, Subtitle 3 of the Land Use Article of the Annotated Code of Maryland
160 (“**Development Agreement Statute**”), authorizes the County and Town to establish procedures
161 and requirements for the consideration and execution of Development Rights and
162 Responsibilities Agreements (“**DRRAs**”).
163

164 C. The Town adopted Article XV of the Easton Zoning Ordinance establishing rules,
165 procedures and requirements for consideration of DRRAs with the Town (“**Town Enabling**
166 **Law**”), and such Article XV is the source of the Town’s authority for this Agreement.
167

168 D. The County adopted Chapter 50 of the County Code establishing rules,
169 procedures and requirements for consideration of DRRAs with the County (“**County Enabling**
170 **Law**”), and such Chapter 50, along with the County’s ownership of the Property (hereinafter
171 defined) subject to this Agreement, are the sources of the County’s authority for this Agreement.
172

173 E. SHS and the County have legal and/or equitable interest(s) in the Property, which
174 consists of approximately 199.299 acres located in the incorporated area of the Town, west of
175 Route 50, as more specifically described in Paragraph 2.2.
176

177 F. The 2010 Town Comprehensive Plan designates the Property for future
178 development as a “Regional-scale”, “campus-style facility” containing a new hospital, medical
179 offices and related services. Similarly, the 2005 County Comprehensive Plan, as amended by
180 County Resolution No. 159, designates the Property as a “primary growth area” or “Priority
181 Development Area” appropriate for “a regional medical health care facility and related uses”.
182 The implementation of these planning visions for the Property requires the close cooperation of
183 the Town, County and SHS, but will facilitate the retention and provide for the expansion of a
184 major employer and primary provider of healthcare for the region, encourage and facilitate
185 economic investment and the creation of new jobs, and provide for improvements to and
186 expansion of public infrastructure.
187

188 G. At the request of the County, as owner of the Property, and SHS, as optionee of
189 the Property, the Town annexed the Property and other lands by enacting Resolution No. 5955
190 on December 7, 2009.

191
192 H. The Town enacted Ordinance No. 560, which established a Regional Healthcare
193 (RH) zoning district that is now codified as Section 411 of the Town Zoning Ordinance
194 (“**Regional Healthcare District**”), and Town Ordinance No. 561 (effective January 21, 2010)
195 applied the Regional Healthcare District to the Property. By Resolution No. 168, the County
196 approved the application of the Regional Healthcare District to the Property.

197
198 I. SHS desires to develop the Property, in accordance with this Agreement and the
199 Annexation Agreement, as a regional medical campus consisting of an acute care hospital and a
200 variety of related uses permitted by the Regional Healthcare District. The acute care hospital
201 shall include, at a minimum, the following services: overnight care of patients, emergency,
202 surgery, pathology, clinical lab and pharmacy.

203
204 J. SHS petitioned the County and Town to enter into a consolidated DRRA and
205 proceedings have been completed in accordance with the Development Agreement Statute, Town
206 Enabling Law, and County Enabling Law.

207
208 K. The purpose of this Agreement is to facilitate the implementation of the Town and
209 County Comprehensive Plans through the Development of the Project, and to provide assurances
210 to SHS that the Property, if developed, may be developed pursuant to the Regional Healthcare
211 District and other Land Use Regulations existing on the Effective Date. The Development of the
212 Project requires a major investment of resources, planning and effort by the Town and County to
213 support the growth area expansion and infrastructure requirements of a regional medical campus.
214 Similarly, the Development of the Project requires SHS to make significant front-end
215 investments in land acquisition and dedication and on-site and off-site improvements. The Town
216 and County recognize that SHS will make substantial commitments of resources to achieve both
217 private benefits of the Project for SHS and the public purposes and benefits of the Project for
218 Town, County, and the entire Mid-Shore region. SHS will be unable to make and realize the
219 benefits from such commitments without the vested rights and assurances provided by this
220 Agreement. The Town and County have determined that the granting of such assurances is
221 necessary to enable SHS to undertake the Development of the Project and thereby achieve the
222 public purposes and benefits to the Town, County and region from the Project.

223
224 L. By entering into this Agreement, the Town and County expect to obtain the
225 binding agreement of SHS to Develop the Property, if at all, in accordance with the Annexation
226 Agreement, the Option Agreements, the Regional Healthcare District and other Existing Land
227 Use Regulations, any Development Approvals, and this Agreement, and to provide the benefits
228 that will accrue to the Town, County and the general public in accordance with this Agreement.
229 In consideration therefor, the Town and County agree to exercise their governmental and any
230 proprietary functions for the purpose of accomplishing the objectives and performance of this
231 Agreement, and to vest rights in certain existing rules and regulations as specified herein and any
232 Development Approvals granted or required as the result of this Agreement.

233
234 M. The general benefits to the Town and/or County from the implementation of this
235 Agreement include:
236

237 (1) Implementing their respective Comprehensive Plans and retaining and
238 promoting the expansion of jobs and the healthcare industry within the municipal limits of the
239 Town consistent with the Regional Healthcare District;

240
241 (2) Providing SHS with sufficient certainty and predictability in the
242 development process to induce SHS to incur very substantial investments in development of a
243 regional medical center; and

244
245 (3) Ensuring the timely construction of on- and off-site improvements to
246 facilitate development and occupancy of the Project, thereby furthering their goals and objectives
247 for economic development.

248
249 N. The general benefits to SHS from the implementation of this Agreement include:

250
251 (1) Obtaining sufficient certainty and predictability in the development
252 regulations to justify the required substantial up-front investment in the public and private
253 infrastructure for a phased Project that would require many years to complete; and

254
255 (2) Defining contractual vesting of rights to develop a new hospital and
256 regional medical campus as authorized by Existing Land Use Regulations and as this Agreement
257 under the Development Agreement Statute.

258
259 O. In satisfaction of the requirements of Section 1504 of the Town Zoning
260 Ordinance, on December 20, 2012, the Town Planning Commission held a public meeting on
261 this Agreement and issued a recommendation that the Agreement is consistent with the Town
262 Comprehensive Plan, which recommendation is memorialized as Resolution No. ____ and
263 attached hereto as Exhibit A.

264
265 P. On January 7, 2013, the Town Council held a duly advertised public hearing on
266 this Agreement in accordance with the Town Enabling Law, and approved this Agreement on
267 January 22, 2013 by Resolution No. ____ (“**Town Approving Resolution**”), a copy of which is
268 attached hereto as Exhibit B. The Town Approving Resolution contains a statement, with
269 references to specific provisions of applicable law, regulations or plans, that the proposed
270 development is consistent with the applicable development regulations and the Town
271 Comprehensive Plan.

272
273 Q. In satisfaction of the requirements of Section 50-5 of the County Code, on
274 January 9, 2013, the County Planning Commission held a public meeting on this Agreement and
275 issued a recommendation that the Agreement is consistent with the County Comprehensive Plan,
276 which recommendation is memorialized as Resolution No. ____ and attached hereto as Exhibit
277 C.

278
279 R. On January 22, 2013, the County Council held a duly advertised public hearing on
280 this Agreement in accordance with the County Enabling Law, and approved this Agreement on
281 February 12, 2013 by Resolution No. ____ (“**County Approving Resolution**”), a copy of which
282 is attached hereto as Exhibit D. The County Approving Resolution contains a statement, with

283 references to specific provisions of applicable law, regulations or plans, that the proposed
284 development is consistent with the applicable development regulations and the County
285 Comprehensive Plan.

286
287 NOW, THEREFORE, in consideration of the foregoing Recitals, which are not merely
288 prefatory but are hereby incorporated into and made a part of this Agreement; the mutual
289 covenants and agreements set forth below; and other good and valuable consideration, the receipt
290 and sufficiency of which the Parties hereby acknowledge, the Town, County and SHS hereby
291 agree as follows:

292
293 **AGREEMENT**

294
295 **1. DEFINITIONS AND EXHIBITS**

296
297 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly
298 provided or if the context otherwise requires, terms and phrases use in this Agreement shall have
299 the following meanings:

300
301 1.1.1. **“Agreement”** means this Development Rights and Responsibilities
302 Agreement, as it may be amended from time to time, including all addenda, schedules and
303 exhibits incorporated by reference and attached hereto.

304
305 1.1.2. **“Annexation”** means the annexation effected by Town Resolution No.
306 5955, which extended the Town boundaries to include approximately 276.479 acres of land,
307 including the Property subject to this Agreement.

308
309 1.1.3. **“Annexation Agreement”** means the Annexation Agreement dated
310 December 8, 2009 between Town, County and SHS, which Agreement is recorded among the
311 County Land Records at Liber 1757, folio 12.

312
313 1.1.4. **“Archaeological Survey”** means the reports identified in Paragraph
314 4.1.7.1 of this Agreement.

315
316 1.1.5. **“Building and Improvement Standards”** means the generally applicable
317 codes, regulations and standards of the Town and any applicable County, State and federal
318 regulations for the construction and installation of buildings, structures, facilities and associated
319 improvements including, without limitation, Town’s building codes, plumbing code, electrical
320 code, mechanical code, fire code, and public utilities standards. Such term includes Town- or
321 County-specific amendments to general forms produced by code organizations like the
322 International Code Council and the National Fire Protection Association. Any such local
323 amendments that regulate or limit the nature, type, density, height or intensity of development,
324 open space, impervious surface or setback requirements or other matters governed by the Town
325 Zoning Ordinance on the Effective Date shall be considered Subsequent Land Use Regulations
326 and may be applicable as provided herein.

327

328 1.1.6. “**Completion**” or “**Complete**” means the accomplishment and conclusion
329 of the applicable work and improvements in accordance with all applicable Governmental Rules
330 and substantially in accordance with the plans and specifications and other requirements, such
331 that, subject only to minor punch-list type items, all such work and improvements are finally
332 complete and regardless of such punch-list type items, such improvements are ready for use for
333 their intended purposes and are fully capable of such use, and have obtained temporary or final
334 use and occupancy approvals or permits as required.
335

336 1.1.7. “**Conflicting Subsequent Land Use Regulations**” means any Subsequent
337 Land Use Regulation which materially limits the rate, timing or sequencing of Development of
338 the Property or otherwise materially conflicts with the Existing Development Approvals or
339 Existing Land Use Regulations.
340

341 1.1.8. “**County**” means Talbot County, Maryland, a charter county and political
342 subdivision of the State.
343

344 1.1.9. “**County DPW**” means the Talbot County Department of Public Works.
345

346 1.1.10. “**County Enabling Law**” means the provisions of Chapter 50 of the
347 County Code, and any amendments thereto, adopted by the County Council pursuant to the
348 Development Agreement Statute to establish procedures and requirements for the County’s
349 consideration, implementation, amendment and enforcement of DRRAs.
350

351 1.1.11. “**County Land Records**” means the Land Records for the County, as
352 maintained by the Clerk of the Circuit Court for the County.
353

354 1.1.12. “**Development**” and “**Develop**” mean the improvement of the Property for
355 the purposes of completing the buildings, structures, facilities and associated improvements
356 comprising the Project including, but not limited to, demolition of existing roads and structures,
357 grading or excavation; construction of infrastructure and public facilities related to the Project,
358 whether located within or outside the Property; construction of buildings, structures, stormwater
359 management facilities; and installation of landscaping.
360

361 1.1.13. “**Development Agreement Statute**” means the State enabling legislation
362 authorizing the Town and County to enter into this Agreement that is codified in Title 7, Subtitle
363 3 of the Land Use Article of the Annotated Code of Maryland.
364

365 1.1.14. “**Development Approvals**” means all permits, approvals and other actions
366 issued by Town and/or County in connection with Development of the Property including:

- 367 (a) Lot line adjustments and/or preliminary and final subdivision plats;
- 368 (b) Special exception approvals;
- 369 (c) Sewer and/or water reservations or allocations;
- 370 (d) Variances;
- 371 (e) Road and street entrance permits and/or abandonments/vacations;
- 372 (f) Site plan approvals;
- 373 (g) Forest conservation plan approvals;

- 374 (h) Grading permits;
- 375 (i) Building permits; and
- 376 (j) Occupancy certificates.

377
378 1.1.15. “**Easton Utilities**” means the Easton Utilities Commission, a public utility
379 provider organized and operating under the Charter of the Town of Easton.

380
381 1.1.16. “**Effective Date**” means the date the last of all the parties hereto executes
382 this Agreement, provided that this Agreement is recorded in the County Land Records within
383 twenty (20) days after being fully executed.

384
385 1.1.17. “**Excusable Delay**” shall have the meaning established by Paragraph 14.

386
387 1.1.18. “**Execution Date**” means, with respect to each party, the date on which
388 the Party executes this Agreement.

389
390 1.1.19. “**Existing Development Approvals**” means all Development Approvals
391 approved or issued prior to the Effective Date. Existing Development Approvals include the
392 Development Approvals incorporated herein as Exhibit E and all other Development Approvals
393 that are a matter of public record on the Effective Date.

394
395 1.1.20. “**Existing Land Use Regulations**” means Land Use Regulations in effect
396 on the Effective Date in which rights are intended to be vested under this Agreement. The
397 Existing Land Use Regulations are identified below, attached hereto as exhibits for future
398 reference and incorporated herein. With respect to the Town, the Existing Land Use Regulations
399 include the following:

- 400 a. 2010 Comprehensive Plan, as adopted by Resolution No. 5958;
- 401 b. Zoning Ordinance, as amended by and up to and including Ordinance No. 614;
- 402 c. Subdivision regulations, as amended by and up to and including Ordinance No.
403 549;
- 404 d. Stormwater Management regulations, as amended by and up to and including
405 Ordinance No. 571; and
- 406 e. Forest Conservation regulations, as amended by and up to and including
407 Ordinance No. 584.

408
409 With respect to the County, the Existing Land Use Regulations include the following:

- 410 f. Comprehensive Plan, as amended by and up to or including Resolution No. 176
411 and Bill No. 1178; and
- 412 g. Comprehensive Water and Sewer Plan, as amended by and up to or including
413 Resolution No. 199.

414
415 1.1.21. “**Extension Flow Reservations**” shall have the meaning established by
416 Paragraph 7.3.

417
418 1.1.22. “**Extensions**” means, collectively, the Water System Extension and the
419 Wastewater System Extension.

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1.1.23. “**Governmental Rules**” means the laws, rules, regulations and ordinances of any applicable federal, State, County or Town governmental entity, authority or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof) with jurisdiction over the Project.

1.1.24. “**gpd**” means gallons per day.

1.1.25. “**Historical Properties Reports**” means the report identified in Paragraph 4.1.7.2.

1.1.26. “**Initial Plat**” means the subdivision plat prepared by Daft McCune Walker Inc. entitled “PLAT OF SUBDIVISION, LOTS 1 THROUGH 7, PARCEL A, AND REVISED TAX PARCEL 38 ”, dated September 24, 2012, last revised ____, 2012 and recorded among the Plat Records of Talbot County, Maryland in Plat Cabinet MAS ____, page ____. The Initial Plat is incorporated herein by reference, and a reduced copy of the Initial Plat is attached hereto as Exhibit G.

1.1.27. “**Land Use Regulations**” means all ordinances, resolutions, codes, rules and regulations of the Town or County governing the development and use of land, including the permitted use of land; the density or intensity of use; subdivision requirements; the maximum height and size of proposed buildings; regulations regarding the rate, time or sequence of development; and design standards applicable to Development of the Property. “Land Use Regulations” include comprehensive plans, comprehensive water and sewer plans, zoning ordinances (including the Regional Healthcare District), subdivision regulations, development or building moratoria, stormwater management, forest conservation, growth management, adequate public facilities, and phased development programs, impact fees and development exactions. Except as provided in Paragraph 1.1.5, “Land Use Regulations” shall not include Building and Improvement Standards.

1.1.28. “**Master Plan**” shall have the meaning established in Paragraph 4.8.

1.1.29. “**Mortgage**” means any mortgage or deed of trust granted by an owner encumbering real property, or any other security interest therein existing by virtue of any other form of security instrument or arrangement used from time to time (including any such other form of security arrangement arising under any deed of trust, sale and leaseback documents, lease and leaseback documents, security deed or conditional deed, or any financing statement, security agreement or other documentation used pursuant to the provisions of the Uniform Commercial Code or any successor or similar statute); provided that such mortgage, deed of trust or other form of security instrument, and any instrument evidencing any such other form of security arrangement, has been recorded among the County Land Records.

1.1.30. “**Mortgagee**” means a mortgagee of a Mortgage, a beneficiary under a deed of trust or any other secured lender, and their successors and assigns.

465 1.1.31. **“Parties”** or **“Party”** mean the parties or a party to this Agreement, being
466 the Town, County, and/or SHS, collectively or individually.

467
468 1.1.32. **“Periodic Review”** means the review required under Paragraph 11.

469
470 1.1.33. **“Phase”** means any discrete portion of the Project for which specific site
471 plan and/or subdivision approval is sought.

472
473 1.1.34. **“Project”** means the development of the Property as a regional medical
474 campus, including an acute care hospital.

475
476 1.1.35. **“Property”** means that certain real property located in the Town and
477 County that is subject to this Agreement, as defined in Paragraph 2.2.

478
479 1.1.36. **“Property Wastewater Facilities”** shall have the meaning established by
480 Paragraph 7.5.

481
482 1.1.37. **“Property Water Facilities”** shall have the meaning established by
483 Paragraph 7.5.

484
485 1.1.38. **“Public Facilities”** means those certain portions of the Property and
486 appurtenant or off-site improvements to be constructed and/or dedicated or conveyed to the
487 public by SHS and/or County as set forth in Paragraph 5, including right-of-ways, road, water
488 and sewer improvements.

489
490 1.1.39. **“Pump Station/Substation Parcel”** means the area or parcel of land
491 described in Paragraph 5.4 and depicted by Exhibit L.

492
493 1.1.40. **“Regional Healthcare District”** means the Regional Healthcare zoning
494 district enacted by the Town’s adoption of Ordinance No. 560 on November 2, 2009, now
495 codified as Section 411 of the Town Zoning Ordinance, and applied to the Property by
496 Ordinance No. 561 on January 21, 2010.

497
498 1.1.41. **“Reservations of Authority”** means the rights and authority excerpted
499 from the assurances and rights provided to SHS in Paragraph 4 and reserved to Town and/or
500 County as provided by Paragraph 4.4.

501
502 1.1.42. **“Section One”** means the portion of the Property designated by the Initial
503 Plat as Lot 3 (77.075 acres±), which land area is intended to be developed with a hospital,
504 medical office buildings and other permitted uses. For purposes of Paragraph 4.4 and 4.5 of this
505 Agreement, uses and structures constructed within Section One in any combination of phases
506 and/or buildings other than a hospital containing up to 410,000 square feet of gross floor area,
507 medical office(s) containing up to 100,000 square feet of gross floor area, and ambulatory care
508 facilities containing up to 100,000 square feet of gross floor area shall be deemed to have been
509 constructed within Section Two and shall be subject to the reduced vesting provided to Section
510 Two notwithstanding its location within the portion of the Property designated as Section One.

511
512 1.1.43. “**Section Two**” means all portions of the Property other than Section One,
513 which are depicted by Exhibit F.
514
515 1.1.44. “**SHA**” means the Maryland State Highway Administration.
516
517 1.1.45. “**SHS**” means Shore Health System, Inc., a Maryland corporation, its
518 affiliates and subsidiaries that own any portion(s) of the Property, and any successor by merger
519 or any other corporate entity that succeeds to all or substantially all of Shore Health System,
520 Inc.’s assets.
521
522 1.1.46. “**SHS Options**” shall have the meaning established by Paragraph 2.2.1.
523
524 1.1.47. “**SHS-Assignee**” means an SHS-Successor that the Town and County
525 have approved, and in relation to which the Town and County have released SHS or any prior
526 SHS-Assignee from any obligations pursuant to Section 2.6.3.
527
528 1.1.48. “**SHS-Successor**” means any owner of any portion of the Property
529 subsequent to SHS’ ownership. Use of the term “SHS-Successor” hereinafter shall include all
530 SHS-Assignees.
531
532 1.1.49. “**Subsequent Development Approvals**” means all Development
533 Approvals required subsequent to the Effective Date in connection with Development of the
534 Property.
535
536 1.1.50. “**Subsequent Land Use Regulations**” means any Land Use Regulations
537 adopted after the Effective Date.
538
539 1.1.51. “**State**” means the State of Maryland.
540
541 1.1.52. “**Term**” means the term of this Agreement as establish in Paragraph 2.5.
542
543 1.1.53. “**Third Party**” means any person or legal entity not a party to this
544 Agreement or an SHS-Successor.
545
546 1.1.54. “**Town**” means the “The Town of Easton”, a municipal corporation,
547 organized and existing under the laws of the State, together with the Easton Utilities
548 Commission, and their respective successors and assigns.
549
550 1.1.55. “**Town Enabling Law**” means the provisions of Article XV of the Town
551 Zoning Ordinance and any amendments thereto, adopted by the Town pursuant to the
552 Development Agreement Statute, to establish procedures and requirements for the Town’s
553 consideration, implementation, amendment and enforcement of DRRAs.
554
555 1.1.56. “**Traffic Study**” means the traffic impact and/or signal warrant analyses
556 identified in Exhibit T.

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1.1.57. “**Wastewater System Extension**” shall have the meaning established by Paragraph 7.2.2.

1.1.58. “**Water System Extension**” shall have the meaning established by Paragraph 7.2.1.

1.1.59. “**Water Tower Parcel**” means the area or parcel of land described in Paragraph 5.3 and depicted by Exhibit K.

1.2 **Exhibits.** The following Exhibits are attached to and incorporated in this Agreement:

- A. Town Planning Commission Resolution
- B. Town Approving Resolution
- C. County Planning Commission Resolution
- D. County Approving Resolution
- E. Existing Development Approvals
- F. *RESERVED*
- G. Initial Plat
- H. Legal Description of Property
- I. Partial Assignment, Assumption and Novation Agreement Form
- J. *RESERVED*
- K. Water Tower Parcel (Lot 6, 1.000 ac.±)
- L. Pump Station/Substation Parcel (Lot 7, 1.253 ac.±)
- M. Overall On-Site Utility Concept Plan (2 sheets)
- N. *RESERVED*
- O. Utility Exhibit – Eastern Connections
- P. Utility Exhibit – Western Water Connection
- Q. Utility Exhibit – Western Electrical Connection
- R. Estoppel Certificate Form
- S. Existing Land Use Regulations:
 - i. 2010 Easton Comprehensive Plan,
 - ii. Easton Zoning Ordinance, through Ordinance No. 614,
 - iii. Easton Subdivision Regulations through Ordinance No. 549,
 - iv. Easton Stormwater Management Regulations through Ordinance No. 571,
 - v. Easton Forest Conservation Regulations through Ordinance No. 584,
 - vi. County Comprehensive Plan through Bill No. 1178 and Resolution No. 176, and
 - vii. County Comprehensive Water and Sewer Plan through Resolution No. 199;
- T. Traffic Study Summary.

603 **2. GENERAL PROVISIONS**

604
605 2.1 Parties; Capacities. The parties to this Agreement are the Town, County, and
606 SHS. The County entered into this Agreement in several capacities and for several purposes: (i)
607 in its governmental capacity under and for the purposes set forth in Chapter 50 of the County
608 Code; (ii) in its capacity as the fee simple owner of the Property to consent to the imposition of
609 this Agreement on the title to the Property for the purposes for which DRRAs are intended under
610 the Development Agreement Statute; and (iii) for the purpose of agreeing to the terms,
611 provisions, rights and obligations related to certain Public Facilities to be provided by the
612 County, Town, SHS and SHS-Successors. The Town entered into this Agreement in its
613 governmental capacity: (i) under and for the purposes set forth in Article XV of the Town
614 Zoning Ordinance, and (ii) for the purpose of agreeing to the terms, provisions, rights and
615 obligations related to certain Public Facilities, including road improvements to be provided by
616 SHS or SHS-Successors and public utility improvements and extensions to be provided by the
617 County, Town, SHS and SHS-Successors.

618
619 2.2 Property. The real property that is subject to this Agreement consists of portions
620 of Talbot County Tax Map 17, Parcels 75 and 129, containing in aggregate 199.299 acres, more
621 or less, which land area is more specifically depicted as Lots 1, 2, 3, and 5 by the Initial Plat
622 (Exhibit G) and more particularly described by Exhibit H.

623
624 2.2.1 The entities having the equitable and legal interests (including lienholders)
625 in the Property as of the Execution Date are the County, which is the owner of the legal title to
626 the Property, and SHS, which is the owner of equitable title to the Property pursuant to certain
627 exercised option agreements (“**SHS Options**”). The assignments of the SHS Options to SHS are
628 recorded among the County Land Records in Liber 1750, folios 404 and 407 and memoranda of
629 the SHS Options are recorded among the County Land Records in Liber 1636, folios 346 and
630 359. The SHS Options have been amended and consolidated and notwithstanding any provision
631 herein, the County and SHS and its assigns may further amend the SHS Options without
632 amending or affecting this Agreement.

633
634 2.3 Effective Date; Conditions; Commencement of Rights and Obligations. This
635 Agreement shall be binding and effective on the Effective Date, except that all rights and
636 obligations of the Parties, their successors and assigns hereunder shall be contingent upon SHS’
637 acquisition of fee simple title to all or portion(s) of the Property except as otherwise provided
638 herein, including, without limitation, the conditions on the County’s obligation to construct the
639 Extensions as provided in Paragraph 7.4. Thereafter, all rights and obligations shall run with and
640 bind the portion(s) of the Property acquired by SHS, regardless of SHS’ ownership of all or
641 portion(s) of the Property subsequent to its initial acquisition.

642
643 Notwithstanding the foregoing, this Agreement shall automatically terminate if the County
644 reacquires the Property pursuant to its rights under the restrictive covenant required by the SHS
645 Options, as agreed and amended, from time to time, by SHS and the County. This Agreement
646 does not establish, expand, modify or affect the restrictive covenant, which shall be subordinated
647 to any Mortgage or other instrument securing any loan, bond issue, or other financing obtained
648 and used to construct an acute care hospital and related or supporting facilities, so that, in the

649 event of a bona fide default in the repayment of any obligation incurred to obtain financing for
650 acquisition and/or Development of the Property, and sale of the Property under the terms of any
651 instrument securing performance of that financial obligation, the Property may be sold by the
652 secured party at such sale free and clear of the covenant set forth in the SHS Options and any
653 subsequent deed.

654
655 2.4 Binding Effect of Agreement; Consent of SHS. The Property is hereby made
656 subject to this Agreement, which is intended to vest the rights of SHS and SHS-Successors to
657 Develop the Property during the Term in accordance with the Existing Land Use Regulations as
658 more particularly provided herein. Any Development of the Property shall be completed in
659 accordance with this Agreement, the terms of the Option Agreements, and any restrictive
660 covenant imposed pursuant thereto. The burdens and benefits of this Agreement run with and
661 are binding upon the Property, and the burdens and benefits of the Agreement constitute
662 covenants that run with and bind the Property. SHS, as owner of equitable title to the Property,
663 hereby consents to and joins in this Agreement for the purpose of agreeing and acknowledging
664 that the Property shall hereafter be subject to this Agreement.

665
666 2.5 Term.

667
668 2.5.1. *Term.* Except as to those provisions of this Agreement which specifically
669 provide for a longer duration, the term of this Agreement shall commence on the Effective Date
670 and shall continue for a period of thirty (30) years thereafter, unless this Term is modified,
671 extended, or terminated pursuant to the provisions of this Agreement.

672
673 2.5.2. *Justification.* Parties acknowledge and agree that the Term of the
674 Agreement is justified by the: (i) substantial economic investment made by SHS and SHS-
675 Successors for the development of a new hospital and medical campus, (ii) construction of
676 extensive public and private infrastructure by the Parties, (iii) uncertainty of future market
677 demands and political pressures, (iv) public purposes to be advanced by Development of the
678 Property in accordance with the Existing Land Use Regulations, and (v) expectations of the
679 Parties.

680
681 2.5.3. *Tolling of Term Upon Legal Challenge.*

682
683 2.5.3.1 If any litigation, whether initiated by a Party hereto or any
684 other person or entity, is filed prior to the last ten (10) years of the Term seeking interpretation or
685 construction of this Agreement or challenging the enforceability, validity or binding nature of
686 this Agreement, the Term, with respect to any portion of the Property owned by a party or parties
687 to such litigation and remaining subject to this Agreement, shall be tolled for the period(s) of
688 time from the date of the filing of such litigation until the conclusion of such litigation by
689 dismissal or final entry of judgment only if: (i) the duration of such period equals or exceeds two
690 (2) years, and (ii) the owner(s) of all or portion(s) of the Property seeking to toll the Term for
691 such litigation prevailed in such litigation, as determined by the court. If any litigation, whether
692 initiated by a Party hereto or any other person or entity, is filed during the last ten (10) years of
693 the Term hereof seeking interpretation or construction of this Agreement or challenging the
694 enforceability, validity or binding nature of this Agreement, the Term, with respect to the entire

695 Property, shall be extended for the period(s) of time from the date of the filing of such litigation
696 until the conclusion of such litigation by dismissal or final entry of judgment if the owner(s) of
697 all or portion(s) of the Property seeking to toll the Term for such litigation prevailed in such
698 litigation, as determined by the court.

699
700 *2.5.3.2* If any litigation, whether initiated by a Party hereto or any
701 other person or entity, is filed or underway during the last ten (10) years of the Term challenging
702 any local, State or federal Development Approval or denial, modification, revocation or refusal
703 to issue or process a Development Approval, or otherwise raising issues of the validity of any of
704 the Development Approvals, the Term, with respect to the portion(s) of the Property or lot(s) or
705 parcel(s) of land to which the subject Development Approval directly relates, shall be tolled for
706 the period(s) of time from the date of the filing of such litigation until the conclusion of such
707 litigation by dismissal or final entry of judgment, or if the litigation was underway prior to the
708 last ten (10) years of the Term, the Term shall be tolled for the period of time during the last ten
709 (10) years for which the litigation is active, if the owner(s) of all or portion(s) of the Property
710 seeking to toll the term of such litigation prevailed in such litigation, as determined by the Court.

711
712 *2.5.4. Tolling of Term for Inadequate Utility Capacity, Moratoria or Default.*

713
714 The Term shall be tolled for the duration(s) of occurrences of Excusable Delay(s)
715 described by Paragraph 14(g), or moratoria that materially affect Development of all or
716 portion(s) of the Property, as follows:

717
718 (a) a lack of utility capacity or moratorium occurring during the first
719 twenty (20) years of the Term shall toll or extend the Term only if the duration of such condition
720 or the collective duration of such conditions exceeds two (2) years;

721
722 (b) a lack of utility capacity or moratorium occurring during the last
723 ten (10) years of the Term shall toll or extend the Term for the duration of such conditions(s);
724 and

725
726
727 *2.5.5. Tolling of Term During Conflict of Law Suspension.* The Term shall be
728 tolled during the period(s) that a total suspension of the Agreement imposed by Paragraph 17 is
729 in full force and effect, however, the cumulative tolling period arising under this Paragraph shall
730 not exceed five (5) years.

731
732 *2.5.6. Notice of Extension or Tolling.* If the Term is tolled as to portion(s) of the
733 Property pursuant to Paragraphs 2.5.3 through 2.5.5, then, as to that portion(s) of the Property,
734 the owner(s) of the Property seeking to confirm the occurrence and duration of the tolling
735 (“**Notifying Owner**”) shall prepare and send to the Parties hereto a notice describing the
736 circumstances giving rise to and identifying the portion(s) of the Property to which it is
737 applicable. Such notice shall be provided not later than one (1) year following the earliest date
738 on which a tolling shall take effect, otherwise the right to assert that the Agreement is tolled
739 under this Section 2.5 shall be waived. If all Parties receiving such notice either agree with the
740 tolling described therein or fail to respond in writing to the Notifying Owner within thirty (30)

741 days of receipt of such notice, the Notifying Owner shall record such notice in the County Land
742 Records as an addendum to this Agreement along with a certification that the Parties were
743 notified in accordance with the provisions of this Paragraph and Paragraph 2.8 and consented to
744 or failed to object to the tolling proposed. If any Party objects to the proposed tolling or to the
745 scope of its proposed application, the Notifying Owner, SHS, Town and County shall meet to
746 discuss and, in good faith, reasonably resolve any disputes related to the proposed tolling or to
747 the scope of its proposed application. The agreement of the Parties and the Notifying Owner
748 resulting from such discussions or, if applicable, any final judicial decree confirming the
749 occurrence and duration of the tolling and the scope of its application shall be recorded in the
750 County Land Records as an addendum to this Agreement. Due to the time associated with
751 litigation, if, during the last five (5) years of the Term of this Agreement, a dispute arises
752 regarding a tolling notice under this Paragraph 2.5, the Notifying Owner shall be entitled to tack
753 on to the claimed tolling period the duration of such dispute and/or litigation if the Notifying
754 Owner prevails in its claim and proposed scope of tolling rights.

755
756 *2.5.7. Rule Against Perpetuities.* If any provision of this Agreement shall be
757 void or voidable for violation of the Rule Against Perpetuities, such provision shall continue
758 only until twenty-one (21) years after the death of the last survivor of the now living descendants
759 of Elizabeth II, Queen of England. Notwithstanding any provision to the contrary, the Term
760 shall not be extended under any circumstances for a period that would cause this Agreement or
761 any provision hereof to be void as violating the Rule Against Perpetuities.

762
763 2.6. Transfer of Rights and Interests.

764
765 *2.6.1. Transfer of Property and Rights Hereunder; Assumption of Obligations.*
766 SHS and SHS-Successors may sell, transfer or convey some or all of the Property at any time
767 during the Term, without approval of Town or County. Except as provided below, any purchaser
768 or transferee shall be subject to all of the obligations of SHS and SHS-Successors under this
769 Agreement insofar as such obligations are applicable to the portion of the Property sold,
770 transferred or conveyed. Any purchaser or transferee shall also have such rights arising under
771 this Agreement and applicable to the portion of the Property sold, transferred or conveyed only
772 when expressly designated herein to pass to such SHS-Successor (or SHS-Assignee, if such
773 SHS-Successor is approved as an SHS-Assignee in accordance with Paragraph 2.6.3). To the
774 extent that the right to Develop the transferred portion of the Property is governed by certain
775 zoning standards of the RH District that are evaluated on the basis of the entire Property or RH
776 District, including without limitation, lot coverage, open space, and intensity limitation, such
777 transferred portion of the Property shall only have the right to occupy, utilize or impact such
778 standards or attributes as may be expressly assigned by SHS. The Town shall have no
779 responsibility to SHS or any transferees for arbitrating or accounting for such assignments. A
780 transferee's failure or refusal to provide a written assumption agreement pursuant to Paragraph
781 2.6.3 shall not negate or otherwise affect the liability of the transferee to perform such duties and
782 obligations. Notwithstanding the foregoing or any other provision to the contrary herein, SHS'
783 right to consent to any amendment of this Agreement may not be sold, assigned, transferred or
784 otherwise delegated. Such right to amend is expressly reserved to SHS, subject to the approval
785 of any amendment by the Town and County. No SHS-Successor or SHS-Assignee shall be a
786 Party to this Agreement.

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2.6.2. *Constructive Notice and Acceptance.* Except with respect to individual lots in relation to which this Agreement has terminated pursuant to Paragraph 13.2, every person who, now or hereafter, owns or acquires any right, title or interest in or to the Property (or portion thereof) is (and shall be conclusively deemed to have consented and agreed to be) bound by every provision contained in this Agreement applicable to the portion of the Property so owned, whether or not any reference to this Agreement is contained in the instrument by which such person acquired such right, title or interest. Reference to this Agreement shall be included in any deed for all or portion(s) of the Property during the Term hereof, but failure to include such reference shall not impact the effectiveness of this Agreement.

2.6.3. *Release of SHS and/or SHS-Assignee.* Upon the delegation of the duties and obligations under this Agreement and the sale, transfer or assignment of all or any portion of the Property, SHS (and/or SHS-Assignee) will be released from obligations arising hereunder subsequent to the date of such transfer with respect to the Property (or portion thereof) so transferred if: (i) the transferor has provided to the Town and County written notice of the transfer, (ii) the transferee has agreed in writing with the Town and County to be subject to all of the provisions hereof applicable to the portion(s) of the Property so transferred by executing a Partial Assignment, Assumption and Novation Agreement substantially in the form of Exhibit I; (iii) transferee has provided the Town and County adequate financial information to demonstrate, to the Town and County’s reasonable satisfaction, the transferee’s capability to fully and timely perform all financial and other obligations to the Town or County under this Agreement that are applicable to the portion(s) of the Property so transferred; (iv) the transferor is not currently in default, and (v) the Town and County execute a written consent, which consent shall not be unreasonably withheld. As a condition of executing such agreement, the Town and County may reasonably require the provision of performance bond(s) of other surety in form and amount reasonable to ensure the performance of the transferee’s obligations to the Town or County under this Agreement. In the event of any transfer of land located in Section One prior to Development of an acute care hospital on the Property, such transferee shall also demonstrate, to the Town and County’s reasonable satisfaction, the transferee’s capability to Develop the minimum acute care hospital and infrastructure required by the Annexation Agreement and this Agreement.

Upon transfer of any portion of the Property, the express assumption of the transferor’s obligations hereunder by such transferee, and compliance with the preceding paragraph, the Town and County shall look solely to the transferee for compliance with the provisions of this Agreement as such provisions relate to the portion of the Property acquired by such transferee. Except as limited in Paragraph 2.6.1 regarding development rights, with respect to the portion of the Property transferred, such transferee shall thereafter be entitled to the additional rights of an “SHS-Assignee” hereunder.

Any transferee shall be responsible for satisfying the good faith compliance requirements set forth in Paragraph 11 relating to the portion of the Property owned by such transferee. Nothing contained herein shall be deemed to grant to the Town or County authority to approve any sale or transfer.

2.7. Amendment.

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2.7.1. Writing Required. This Agreement may be amended, in whole or in part, only by written consent of SHS, Town and County, and in accordance with the procedures set forth in this Paragraph. All such writings shall be: (i) signed by all Parties whose consent is required, (ii) in a form suitable for recordation in the County Land Records, and (iii) recorded in the County Land Records. This provision shall not limit any remedy of any Party as provided by this Agreement.

2.7.2. Procedure. The Parties may only amend this Agreement in accordance with the procedures of the Development Agreement Statute and, as applicable, the Town Enabling Law and/or County Enabling Law.

2.8. Notices. All notices and other communications in connection with this Agreement shall be in writing. By notice complying with the requirements of this Paragraph, each Party may change the address or addressee or both for all future notices and communications to such Party, but no notice of a change of address shall be effective until actually received. Any SHS-Successor with respect to a portion of the Property shall notify SHS, Town and County in accordance with this Paragraph of its notice address immediately upon any transfer or conveyance, but, prior to their receipt of such notice, the original Parties may (but are not obligated to) send communications to the mailing address indicated in the tax records for Talbot County for such portion of the Property. Notices requested by a Mortgagee pursuant to Paragraph 15.3 shall be sent to the address specified in the Mortgagee's written request, unless modified pursuant to this Paragraph.

Notices and communications to SHS shall be addressed to, and delivered at, the following addresses:

Shore Health System, Inc.
219 S. Washington Street
Easton, Maryland 21601
Telephone (410) 822-1000
Attn: Michael Silgen

with copies to:
University of Maryland Medical System Corp.
250 West Pratt Street, Suite 2400
Baltimore, Maryland 21201
Telephone: (410) 328-1635
Attn: Megan M. Arthur, Sr. Vice President &
General Counsel

SHS - DRRA
c/o Miles & Stockbridge P.C.
101 Bay Street, Suite 2
Easton, Maryland 21601
Telephone (410) 822-5280
Attn: John Murray, Esq. & Ryan Showalter, Esq.

Notices and communications to the Town shall be addressed to, and delivered at, the following addresses:

Town of Easton

with a copy to:

879 14 S. Harrison Street Ewing, Dietz, Fountain & Kehoe, P.A.
880 Easton, Maryland 21601 16 S. Washington Street
881 Telephone (410) 822-2525 Easton, Maryland 21601
882 Attn: Mayor and Town Manager Telephone (410) 822-1988
883 Attn: Sharon VanEmburch, Esq.
884

885 Notices and communications to the County shall be addressed to, and delivered at, the following
886 addresses:

887
888 Talbot County with a copy to:
889 11 N. Washington Street Talbot County Attorney
890 Easton, Maryland 21601 11 N. Washington Street
891 Telephone (410) 770-8001 Easton, Maryland 21601
892 Attn: President, County Council Telephone (410) 770-8093
893 Attn: Michael Pullen, Esq.
894

895 Notice shall be accomplished only in accordance with one of the following procedures, and shall
896 be effective, in all cases, upon actual receipt or refusal to accept:

- 897
- 898 (a) By personal (hand) delivery to a Party, and if a Party is an entity, to an adult
899 representative of such Party, at the street address for the Party;
 - 900 (b) By United States certified or registered mail, postage prepaid, with return receipt
901 requested, to the street address for the Party; or
 - 902 (c) By a nationally-recognized delivery service company to the street address with
903 written proof of delivery.
- 904

905 Facsimile and email communications shall not constitute notice. In the event any
906 applicable statute, law, rule or regulation requires notice to be delivered in a particular manner,
907 or to a particular address for a Party, such statute, law, rule or regulation shall control, unless the
908 requirements of such statute, law, rule or regulation can be waived, in which case all Parties
909 hereby waive such requirements.

910

911 2.9. Relation to Annexation Agreement. Except as specifically provided below, where
912 this Agreement addresses subjects previously addressed in the Annexation Agreement, the
913 Parties intend the provisions of this Agreement to supplement and further define and, when
914 performed, satisfy the Parties' obligations established by the Annexation Agreement. Excluding
915 infrastructure obligations, which are addressed in this Agreement to the satisfaction of all parties,
916 to the extent of any inconsistency between this Agreement and the Annexation Agreement, the
917 Annexation Agreement shall control. The following provisions of the Annexation Agreement
918 are not addressed or affected by or subject to this Agreement:

- 919 (a) Recitals, Paragraph J;
- 920 (b) Section 2.1;
- 921 (c) Section 3.1(a) in part, to the extent it requires that, if SHS proceeds with
922 Development of the Property, initial construction, other than grading, drainage and infrastructure
923 improvements, shall include construction of at least the first phase of an "accredited acute care
924 hospital" (as defined by the Annexation Agreement) on the Property. When all phases of

925 construction of the hospital are complete, the “accredited acute care hospital” constructed on the
926 Property shall contain at least 100 beds;

927 (d) Section 4, in part, to the following extent: nothing in the Annexation
928 Agreement shall be interpreted to obligate the County or Town to use or appropriate highway
929 user revenues, development impact fees or other public funds for infrastructure improvements;

930 (e) Section 4.2, in part, to the extent it provides that future ordinances enacted
931 by the Town shall apply to the County only to the extent the County is not otherwise exempt
932 from such enactments;

933 (f) Section 6.17; and

934 (g) Section 6.19.

935

936

937 **3. REPRESENTATIONS, WARRANTIES AND CERTIFICATIONS**

938

939 3.1. By All Parties.

940

941 3.1.1. *Procedural Sufficiency.* All Parties acknowledge and agree that all
942 required notices, meetings, and hearings have been properly given and held by Town and/or
943 County with respect to the approval of this Agreement and agree not to challenge this Agreement
944 or any of the obligations or rights created by it on the grounds of any procedural infirmity or any
945 denial of any procedural right.

946

947 3.1.2. *Town and County Approval of Future Agreements.* Notwithstanding
948 anything to the contrary herein, any contracts or agreements contemplated to be entered into by
949 the Town or County under the terms of this Agreement that are not attached as exhibits hereto
950 will be subject to the prior approval of the Town or County, if the approval of such body is
951 required under the terms of the Town Charter, County Charter or other applicable law.

952

953 3.1.3. *Litigation.* To the knowledge of each Party, there are no legal actions or
954 proceedings pending or threatened against such Party (or its agencies) which, if adversely
955 determined, would materially and adversely affect the ability of such Party to fulfill its
956 obligations under this Agreement.

957

958 3.1.4. *Enforceability.* This Agreement and all obligations of each Party
959 hereunder are enforceable against such Party in accordance with their terms.

960

961 3.2. Town. The Town hereby makes the following representations, warranties and
962 covenants to and with SHS and the County as of the Execution Date:

963

964 (h) *Existence.* The Town is a municipal corporation of the State situated in the
965 County.

966

967 (i) *Power and Authority.* The execution and performance by the Town of this
968 Agreement has been duly authorized by a Town resolution adopted in conformity with the Town
969 Charter, Development Agreement Statute, and Town Enabling Law.

970

971 3.3. County. The County hereby makes the following representations, warranties and
972 covenants to and with SHS and the Town as of the Execution Date:

973
974 (a) *Existence*. The County is a charter county and political subdivision of the
975 State.

976
977 (b) *Power and Authority*. The execution and performance by the County of
978 this Agreement has been duly authorized by a County resolution adopted in conformity with the
979 County Charter, Development Agreement Statute, and County Enabling Law.

980
981 (c) *Ownership of Property*. The County hereby certifies that it is the owner of
982 legal and equitable interests in the Property.

983
984 3.4. SHS. SHS hereby makes the following representations, warranties and covenants
985 to and with the Town and County as of the Execution Date:

986
987 (a) *Existence*. SHS is a corporation duly organized and legally existing under
988 the laws of the State and qualified to transact business in the State.

989
990 (b) *Authorization*. SHS is duly and legally authorized to enter into this
991 Agreement and has complied with all laws, rules, regulations, charter provisions and bylaws
992 relating to its corporate existence and authority to act, and the undersigned is authorized to act on
993 behalf of and bind SHS to the terms of this Agreement. SHS has all requisite power to perform
994 all of its obligations under this Agreement. The execution of this Agreement by SHS does not
995 require any consent or approval that has not been obtained.

996
997 (c) *Ownership of Property*. SHS hereby certifies that it has exercised and is
998 the contract purchaser under the SHS Options.

999
1000
1001 **4. REGULATION OF DEVELOPMENT; VESTING**

1002
1003 4.1. Development. The following policies set forth in this Paragraph 4 shall govern
1004 the subdivision, development and use of the Property.

1005
1006 4.1.1. *Permissible Uses of the Property; Density and Intensity of Use*. SHS and
1007 SHS-Successors may develop the Property in accordance with the permissible uses and at the
1008 density and intensity permissible under the Regional Healthcare District and in accordance with
1009 the Existing Land Use Regulations, subject to: (i) obtaining site plan approval for the Property or
1010 any portion thereof, (ii) compliance with the obligations hereunder of SHS and SHS-Successors
1011 (subject to Paragraph 2.6.3), and (iii) compliance with all valid conditions and prerequisites for
1012 all necessary Development Approvals.

1013
1014 4.1.2. *Rights to Develop*. SHS and SHS-Successors shall have vested rights, to
1015 the maximum extent allowed under State law to develop the Property in accordance with and to
1016 the maximum extent allowed by the Existing Land Use Regulations, Existing Development

1017 Approvals and this Agreement. Notwithstanding the Reservations of Authority of Paragraph 4.4
1018 or any other provision herein to the contrary, this Agreement is supplemental to, and shall not
1019 abrogate or limit any rights that may vest under Maryland law. SHS and SHS-Successors are
1020 provided and assured vested rights under the Land Use Regulations of the Town and County
1021 applicable to and governing Development of the Property during the Term as provided by
1022 Paragraph 4.4.

1023
1024 4.1.3. *Building Standards.* All construction on the Property and all construction
1025 of required off-site improvements shall adhere to generally applicable Building and
1026 Improvement Standards in effect at the time of issuance of the permit(s) required for such
1027 construction.

1028
1029 4.1.4. *Exactions, Mitigation Measures, Conditions, Reservations and*
1030 *Dedications.* All Town and County exactions, mitigation measures, conditions, reservations and
1031 dedications of land for public purposes that are applicable to Development of the Property are
1032 either set forth in this Agreement or shall be applied under Existing Land Use Regulations except
1033 to the extent that future authority is reserved by Paragraph 4.4.

1034
1035 4.1.5. *Application, Processing, Permit and Inspection Fees.* Notwithstanding
1036 anything herein to the contrary, SHS and SHS-Successors shall pay all Town and County
1037 administrative, application, review and processing fees for Development Approvals, plan
1038 reviews, building permits, inspections, and occupancy permits, generally applicable on a
1039 Town/County-wide basis for similar projects, at the rate and amount in effect at the time the fee
1040 is required to be paid. This provision shall not apply to impact fees, excise taxes, adequate
1041 public facilities or concurrency fees, contributions, exactions or other such requirements, which
1042 are addressed by other provisions of this Agreement.

1043
1044 4.1.6 *Moratoria.* This Agreement contemplates and provides for the
1045 development of the Property and during the Term hereof no ordinance, resolution or regulation
1046 imposing a moratorium or other limitation on the rate, timing or sequencing of the Development
1047 of land otherwise affecting the Property or any portion(s) thereof shall apply to or govern the
1048 development of the Property, whether affecting subdivision plats, site plans, building permits,
1049 occupancy permits or other approvals issued or granted by Town or County, except as may be
1050 adopted pursuant to Paragraph 4.4. In the event of any future moratorium, ordinance, resolution,
1051 rule or regulation, unless adopted by Town or County as provided by Paragraph 4.4, SHS and
1052 SHS-Successors shall continue to be entitled to apply for and receive approvals as contemplated
1053 by this Agreement and in accordance with the Land Use Regulations applicable to the Property
1054 pursuant to this Paragraph 4.

1055
1056 4.1.7 *Cultural Resources.*

1057
1058 4.1.7.1 Archaeological Evaluation. Edward Otter, Inc. conducted an
1059 archaeological survey to identify and evaluate any prehistoric sites located on the Property. The
1060 summary of this evaluation is reported in a report entitled “Phase I Archaeological Survey
1061 Between Route 50 and Hailem School Road, Easton, Talbot County, Maryland”, dated
1062 December 16, 2011, which was supplemented by a report entitled “Phase II Archaeological

1063 Investigations 18TA420, 18TA424, 18TA425, and 18TA427, Between Route 662 and Hailem
1064 School Road, Easton, Talbot County, Maryland” and dated July 15, 2012 (collectively, the
1065 “**Archaeological Survey**”). Of the twelve sites identified by the Archaeological Survey, only
1066 two (18TA424 and 18TA425) were identified for preservation in place. By letter dated
1067 September 10, 2012, the Archaeological Survey conclusions were accepted by the Maryland
1068 Historical Trust (“**MHT**”). Since current Development plans for the Property will not impact
1069 these two areas, MHT determined that such Development will have no effect on historic
1070 properties and that no further archaeological work is warranted at these sites at this time. SHS
1071 has sufficiently addressed any issues related to prehistoric sites, and SHS is satisfied that it has
1072 complied with MHT requirements for archaeological investigation sufficient to permit
1073 Development of the Property as a Regional Medical Center.

1074
1075 4.1.7.2 Historic Structures. Architectural historian, Bill Lebovich,
1076 evaluated all structures identified by MHT that are or were located on or in close proximity to
1077 the Property to determine whether any significant historic structures existed, and, if so, whether
1078 the preservation, restoration and/or maintenance of such structures are economically reasonable
1079 and feasible. Specifically, the sites and any remaining structures of the Anne Paris Telescope
1080 House, Tilghman’s Fortune and Wickersham (Dawson Baker Farm) were evaluated and
1081 Determination of Eligibility Forms were filed with the MHT, collectively referred to as the
1082 “Historical Properties Reports.” None of these structures are located on the Property or eligible
1083 for listing in the National Register. Based on this work and other information, MHT confirmed
1084 that “[t]he project will have no adverse effects on historic buildings or landscapes.”¹ SHS has
1085 sufficiently addressed any issues related to historic structures, and SHS is satisfied that it has
1086 complied with MHT requirements for historical investigation sufficient to permit Development
1087 of the Property as a Regional Medical Center.

1088
1089 4.1.8. *Protection of Sensitive Areas.* Any disturbance of forested or wetland
1090 areas for development purposes shall be conducted in accordance with the Existing Land Use
1091 Regulations and other applicable laws, regulations, permits and authorizations.

1092
1093 4.2 Duration of Development Approvals. Notwithstanding any provision of this
1094 Agreement, all Existing Development Approvals and all Subsequent Development Approvals
1095 shall remain in effect during the term(s) for which they have been or will be issued in accordance
1096 with Town/County-wide ordinances, rules or regulations, unless: (i) the expiration date is
1097 governed by Federal or State law, or (ii) SHS or the SHS-Successor with respect to the portion of
1098 the Property subject to the Development Approval consents in writing to an earlier expiration
1099 date.

1100
1101 4.3 Future Regulation of Development by Town and County. During the Term, the
1102 Town and County Land Use Regulations applicable to and governing Development of the
1103 Property (including permitted uses, density and intensity of uses, maximum height and size of
1104 structures, and provisions for protection of sensitive areas and reservation and dedication of land
1105 for public purposes other than dedications typically required for utility easements and road

¹ Letter addressed to Kathy Anderson, U.S. Army Corps of Engineers from Beth Cole, Administrator, Project Review and Compliance, MHT dated March 20, 2012 regarding “MHT Review of Phase I Archeological Surveys of Shore Health System Regional Medical Center Project – Talbot County, Maryland – 201161196”

1106 widening) shall be the Existing Land Use Regulations, together with only amendments and
1107 additions adopted pursuant to the Reservations of Authority provided in Paragraph 4.4,
1108 notwithstanding any future action of Town or County, whether by ordinance, resolution, or
1109 otherwise.

1110
1111 4.4 Limitations, Reservations of Authority and Exceptions. Notwithstanding
1112 anything to the contrary herein, and in addition to the Existing Land Use Regulations, the Town
1113 and County reserve authority to adopt certain Subsequent Land Use Regulations, which, if so
1114 adopted, shall apply to and govern the Development of the Property as follows:

1115
1116 4.4.1 *Section One Reservations of Authority.* The following Subsequent Land
1117 Use Regulations shall apply to and govern Development of Section One during the Term
1118 (collectively, the “**Section One Reservations of Authority**”):

1119
1120 (a) *Non-Conflicting Subsequent Land Use Regulations.* Subsequent
1121 Land Use Regulations that are not in conflict with and are not more stringent than Existing
1122 Development Approvals or Existing Land Use Regulations;

1123
1124 (b) *Conflicting Subsequent Land Use Regulations.* Conflicting
1125 Subsequent Land Use Regulations, provided that SHS has given the Town or County, as
1126 applicable, specific written consent to the application of such Conflicting Subsequent Land Use
1127 Regulations to Development of the Property or portion(s) thereof;

1128
1129 (c) *State and Federal Laws and Regulations.* Existing and future state
1130 and federal laws and regulations, together with any Land Use Regulations and actions adopted or
1131 undertaken by the Town or County to comply with such state and federal laws and regulations;
1132 provided that any provision that is more restrictive than required to comply with such state and
1133 federal laws and regulations shall not apply to Development of Section One unless such more
1134 restrictive provision or a corresponding similar provision existed as of the Effective Date. In the
1135 event that state or federal laws and regulations or related Land Use Regulations prevent or
1136 preclude compliance with one or more provisions of this Agreement, such provisions shall be
1137 modified or suspended as may be necessary to comply with such state or federal laws and
1138 regulations, and this Agreement shall remain in full force and effect to the extent that: (i) it is not
1139 inconsistent with such laws and regulations, and (ii) performance of the remaining provisions
1140 would not be inconsistent with the intent and purposes of this Agreement. To the extent
1141 reasonably possible, such modification or suspension shall be accomplished in a manner that
1142 minimizes any adverse impact on the parties’ rights and obligations hereunder;

1143
1144 (d) *Public Health, Safety or Welfare.* Subsequent Land Use
1145 Regulations that are adopted by Town or County, which may be in conflict with the Existing
1146 Development Approvals or Existing Land Use Regulations, if the Town or County determines
1147 that compliance with such Subsequent Land Use Regulations is essential to ensure the public
1148 health, safety, or welfare of residents of all or part of the Town or County, as applicable;

1149
1150 (e) *Impact Fees, Excise Taxes or Exactions.* Any impact fee, excise
1151 tax, allocation fee, exaction or other required fee or payment which is generally applicable

1152 throughout the Town or County to similar uses or development applications, subject to all
1153 provisions of such laws, including opportunities for credit agreements and site-specific analyses;
1154 and

1155
1156 (f) *Private Road Standards.* Private roads constructed within the
1157 Property shall be subject to private road construction and maintenance standards as may be
1158 adopted by the Town from time to time.
1159

1160 4.4.2 Section Two Reservations of Authority. The following Subsequent Land
1161 Use Regulations shall apply to and govern Development of Section Two during the Term
1162 (collectively, the “**Section Two Reservations of Authority**”):
1163

1164 (a) The Reservations of Authority set forth in Paragraphs 4.4.1(a), (c),
1165 (d), (e) and (f);
1166

1167 (b) *Conflicting Subsequent Land Use Regulations.* Conflicting
1168 Subsequent Land Use Regulations, provided that:
1169

1170 (i) SHS has given the Town or County, as applicable, specific
1171 written consent to the application of such Conflicting Subsequent Land Use Regulations to
1172 Development of the Property or portion(s) thereof, or
1173

1174 (ii) such Conflicting Subsequent Land Use Regulations: (1) are
1175 generally applicable throughout the Town or County, (2) do not affect the permitted uses of the
1176 Property, the density and intensity of uses, the maximum height and size of structures, or
1177 provisions for protection of sensitive areas, and (3) either: (A) are solely procedural or
1178 administrative in nature, including procedures for obtaining site plan and subdivision plat review
1179 and approval, or (B) constitute design or construction standards and specifications for
1180 infrastructure improvements.
1181

1182 (c) *Concurrency or Adequate Public Facilities Requirements.* Subsequent
1183 Land Use Regulations that are generally applicable throughout the Town or County and that
1184 require public improvements as a result of Development proposed within Section Two, which
1185 improvements are reasonably required and sized considering objective and generally-recognized
1186 engineering or planning standards. In addition, Subsequent Land Use Regulations adopted by
1187 Town or County to establish requirements related to the adequacy of public infrastructure or
1188 concurrency between Development activities and the provision, improvement or expansion of
1189 off-site public infrastructure shall apply to Development within Section Two; and
1190

1191 (d) *Stormwater Management and Forest Conservation.* Subject to the
1192 provisions of Paragraph 6.3.4 and 8.1, Development within Section Two for which a building
1193 permit application is filed more than ten (10) years after the Effective Date shall be subject to the
1194 Town’s generally applicable stormwater management and forest conservation rules, regulations
1195 and programs in effect on the date of issuance of the permit(s) and approval(s) of such
1196 Development, unless the portion of the Property for which such permit is issued is vested or
1197 grandfathered under State law or the terms of prior rules, regulations and programs.

1198
1199 4.4.3 *Police Powers; Full Extent of Law.* The Parties acknowledge that the
1200 Town and County are restricted in their authority to limit their police powers by contract and that
1201 the foregoing limitations, reservations, and exceptions are intended to reserve to the Town and
1202 County all of their police powers that cannot be so limited. Pursuant to Paragraphs 4.4.1 and
1203 4.4.2, the Town and County reserve their police power to adopt ordinances, regulations, policies
1204 and other enactments affecting the Property to address essential matters of public health, safety
1205 or welfare. Notwithstanding the foregoing, this Agreement shall be construed, contrary to its
1206 stated terms if necessary, to reserve to the Town and County all such powers and authority that
1207 cannot be restricted pursuant to applicable law.
1208

1209 4.5 Future Assurances to SHS Regarding Exercise of Reservations of Authority
1210

1211 4.5.1 *Context of Annexation, Regional Healthcare District and this Agreement.*
1212 In adopting the 2010 Easton Comprehensive Plan, annexing and applying the Regional
1213 Healthcare District to the Property, and granting any Existing Development Approvals, the Town
1214 considered the health, safety, and welfare of the existing and future residents and populations of
1215 Town, the benefits of the Project to the Town, County and region, and potential impacts
1216 associated with development of the Project on the Town and its public facilities and services.
1217 Without limiting the generality of the foregoing, the Town Planning Commission and Town
1218 Council considered and determined the projected needs (taking into consideration the planned
1219 development of the Project, the Town and adjacent areas) for Town services within the Project,
1220 the Town and adjacent areas and the appropriateness of the nature of uses permitted in the
1221 Regional Healthcare District and the density and intensity of the Project.
1222

1223 Similarly, in amending the County Comprehensive Plan and County Comprehensive Water and
1224 Sewer Plan to support the Project, petitioning for and consenting to the Town's annexation and
1225 establishment and application of the Regional Healthcare District to the Property, and reviewing
1226 and approving the infrastructure commitments herein, the County considered the health, safety,
1227 and welfare of the existing and future residents and populations of County, the benefits of the
1228 Project to the Town, County and region, and potential impacts associated with development of
1229 the Project on the County and its public facilities and services. Without limiting the generality of
1230 the foregoing, the County Planning Commission and County Council considered and determined
1231 the projected needs (taking into consideration the planned development of the Project and
1232 adjacent areas in the County) for County services within the Project, if any, and elsewhere in the
1233 County and the appropriateness of the nature of uses permitted in the Regional Healthcare
1234 District and the density and intensity of the Project.
1235

1236 With reference to Section One, the foregoing analyses by the Town and County specifically
1237 included, without limitation, consideration of the traffic impact and signal warrant analyses
1238 described by the Traffic Study Summary. With respect to impacts and improvements to County
1239 and Town roads, such studies have not evaluated Development of the Property beyond the scope
1240 described in Paragraph 6.3.2, and County and Town reserve the right to require additional
1241 improvements in accordance with the provisions of Paragraph 6.3.2 as to the County and in
1242 accordance with the site plan review process for the Town.
1243

1244 4.5.2 *All Governmental Approvals Required Before Development of Property.*
1245 This Agreement provides assurances to SHS and SHS-Successors with respect to the Land Use
1246 Regulations that will apply to the Property, but prior to Development any of the Public Facilities
1247 or any portions of the Property, SHS or SHS-Successors shall obtain site plan and subdivision
1248 approval and/or all required permits and approvals in accordance with this Agreement. Nothing
1249 herein shall, in any way, constitute a Development Approval of a specific project.

1250
1251 4.6 Actions of Other Public, Quasi-Public and Private Entities. Development of the
1252 Property may require actions by and/or agreements with other public, quasi-public or private
1253 entities in granting permits and approvals, generally as follows:

1254
1255 (a) Federal, State, and other agencies having jurisdiction and dealing with, inter
1256 alia, air quality, sewer, water, wastewater, storm drainage, radiology, solid waste, healthcare and
1257 transportation facilities; and

1258
1259 (b) Providers of utilities and owners of utility lines and easements.

1260
1261 Except as may be provided below with respect to the Water System Extension and Wastewater
1262 System Extension, at the sole discretion of and in accordance with the construction schedule
1263 established by SHS or SHS-Successors, SHS or SHS-Successors shall apply for such other
1264 permits and approvals as may be required by other public and quasi-public and private entities in
1265 connection with the development of, or the provision of services to, the Property.

1266
1267 4.6.1 *No Limitation of Authority; Mutual Cooperation.* Excluding the Easton
1268 Utilities Commission, which is a commission and agent of the Town, this Agreement does not
1269 limit the rights or authority of other public and quasi-public and private entities. SHS, Town and
1270 County shall cooperate with each other and, consistent with their respective obligations to
1271 administer and abide by local, State and federal laws, ordinances, and regulations, assist each
1272 other to obtain permits and approvals. The Parties shall, from time to time at the request of
1273 another, use best efforts to support applications pending before such other entities (except
1274 utilities that compete with Easton Utilities) as may be necessary to ensure the timely availability
1275 of such permits and approvals. The Party requesting another to use best efforts to support any
1276 such application shall be responsible for all out-of-pocket expenses incurred by the other in
1277 connection with applications to such other entities.

1278
1279 4.7 Limitation on Uses. The Property may only be developed with uses authorized by
1280 the Regional Healthcare District, as amended from time to time pursuant to Paragraph 4.4.
1281 Specifically, any application for any of the Town's floating zones shall be limited to the uses
1282 authorized by the Regional Healthcare District applicable at the time of filing of such application
1283 and shall not include any other uses. Without limitation of the foregoing, during the Term,
1284 Development of all portions of the Property shall be consistent with the statement of purpose set
1285 forth in Section 411.1 A of the Regional Healthcare District in existence on the Effective Date,
1286 which shall control Development of the Property in the event of any inconsistent amendment to
1287 the Town Zoning Ordinance. The Town and County shall cooperate with one another
1288 concerning any proposed amendment, supplement, change, or repeal ("**Proposed Change**") to
1289 the uses permitted in the Regional Healthcare District. The Town shall promptly notify and

1290 provide the County with any Proposed Change to the permitted uses for review for consistency
1291 with the statement of purpose set forth in Section 411.1 A of the Regional Healthcare District. If
1292 the Parties are unable to agree as to consistency they shall meet and confer with the objective of
1293 attempting to arrive at a mutually acceptable outcome which substantially advances the
1294 objectives of all Parties in entering into this Agreement. Throughout any such process the
1295 Parties shall abide by the covenant of good faith and fair dealing in paragraph 18.16 of this
1296 Agreement.

1297
1298 4.8 Master Plan(s).
1299

1300 4.8.1 Prior to, or concurrent with, filing for Site Plan Review with the Town for
1301 any improvement on the Property (except for those improvements contained in Section One),
1302 SHS shall file with the Town a Master Plan(s). The Master Plan shall be a conceptual plan
1303 indicating the physical and functional relationships between proposed (and existing) buildings,
1304 uses, facilities and other improvements on the subject portion of the Property. A Master Plan
1305 need not be for the entire Property, and during the term of this Agreement SHS may prepare and
1306 submit a series of Master Plans prior to the development of various portions of the Property.
1307

1308 4.8.2 Prior to filing a Master Plan, the Town Planner shall establish the contents
1309 of the Master Plan submittal, which at minimum, shall contain:

1310
1311 (a) a depiction of the portion of the Property to which the Master Plan
1312 will apply, as well as its existing conditions;

1313
1314 (b) a conceptual depiction of the existing or previously approved
1315 improvements in all adjacent phases if the submittal is part of a series of Master Plans and a
1316 depiction of all existing or previously approved public improvements adjacent to the Property;

1317
1318 (c) a conceptual depiction of anticipated improvements, including,
1319 roads, parking areas, buildings, structures, stormwater management facilities, location of
1320 infrastructure, open space, landscaping plans, recreational area, pedestrian access and linkages
1321 throughout the subject portion of the Property;

1322
1323 (d) a conceptual illustration of the character and scale of buildings and
1324 structures generally anticipated on the subject portion of the Property, including narratives and
1325 illustrations that establish guidelines for design elements such as: setback, orientation, scale,
1326 proportion, rhythm, massing, height, materials, roof shape, details and ornamentation, and color;

1327
1328 (e) a description of the relationship between the uses and
1329 improvements on the subject portion of the Property included in the Master Plan and adjacent
1330 portions of the Property;

1331
1332 (f) a description of the restrictive covenants that will apply to
1333 Development of the Property so as to insure implementation, continuity and enforcement of
1334 design elements, as well as maintenance of common areas and facilities; and
1335

1336 (g) any other information the Town Planner determines is reasonably
1337 necessary for evaluation of the Master Plan.
1338

1339 4.8.3. Each Master Plan shall be submitted to the Planning Commission for its
1340 review. The Planning Commission shall comment on the Master Plan's consistency with other
1341 Master Plan(s) for adjacent and nearby portions of the Property and with the Regional Healthcare
1342 District. While the Master Plan is not approved or regulated by the Town, the purpose of the
1343 Master Plan submittal and review is to ensure that, during the Term hereof, Development plans
1344 for Section Two are prepared with consideration of use, appearance, function, transportation and
1345 infrastructure relationships extending beyond the specific Development site to promote
1346 coordinated, cohesive and complimentary design of the medical campus. During the Term
1347 hereof, the Master Plan will serve as a general guide for Development of the portion of the
1348 Property for which it was prepared unless SHS submits revised Master Plan(s) for such portion
1349 of the Property. Master Plan(s) for the Property (or any portion thereof) shall in no way limit the
1350 vesting provided for in this Agreement.
1351

1352

1353 5. PUBLIC FACILITIES

1354

1355 5.1. Construction of Public Facilities. The Public Facilities described in this
1356 Paragraph 5 shall be constructed in accordance with the provisions of this Agreement, the
1357 Building and Improvement Standards, and approved plans and specifications. Any public
1358 improvements or infrastructure to be owned and maintained by the Town shall comply with the
1359 Town's design standards and requirements in effect at the time of issuance of the approval(s) for
1360 such construction. Any public improvements or infrastructure to be owned and maintained by
1361 the County shall comply with the County's design standards and requirements in effect at the
1362 time of issuance of the approval(s) for such construction.
1363

1364 5.2 Operation, Maintenance, Repair, and Replacement. Except as expressly set forth
1365 in this Agreement, the approved plans, specifications, and contracts for construction, or in any
1366 transfer or dedication documents, neither the State, Town nor the County shall be responsible for
1367 the operation, maintenance, repair or replacement of any of the Public Facilities, or the cost
1368 thereof, until after the completion thereof and formal acceptance of the Public Facilities by the
1369 State, Town or County.
1370

1371 5.3 Water Tower Parcel. Based on a water supply study of the Town water system
1372 completed by Whitman, Requardt & Associates, LLP and a related report entitled "Final
1373 Technical Memorandum No. 2" and dated May 8, 2012, elevated water storage improvements
1374 are not necessary for initial phases of the development on the Property, but are anticipated to be
1375 required to provide fire protection flows for future phases of development. The specific trigger
1376 or timing of and responsibility for construction and costs of such improvements will be evaluated
1377 and discussed by SHS and the Town, from time to time, as Development of the Property
1378 progresses. SHS shall dedicate to the Town, in fee simple, a parcel of land for construction of an
1379 elevated water storage tank, which parcel contains 1.0 acres, more or less, and is depicted by
1380 Exhibit K ("Water Tower Parcel"). The Water Tower Parcel is subject to the SHS Options and
1381 shall be dedicated to the Town by SHS concurrent with its acquisition of the Property. Such

1382 dedication shall include for the benefit of the Town a forty (40) foot wide drainage, utility and
1383 access easement that extends across the Property between Hailem School Road and Medical
1384 Center Parkway. The Hailem School Road access located at the western terminus of such
1385 easement shall be limited to Town utility purposes and may not be used for access to
1386 Development on the Property without express approval by the County. The Water Tower Parcel
1387 shall also be subject to a forty (40) foot wide drainage, utility and access easement as depicted by
1388 Exhibit K.

1389
1390 5.4 Pump Station/Substation Parcel. SHS shall dedicate to the Town, in fee simple, a
1391 parcel of land for construction of a wastewater pump station and an electric mini-substation,
1392 which parcel contains 1.253 acres, more or less, and is depicted by Exhibit L (“**Pump**
1393 **Station/Substation Parcel**”). The Pump Station/Substation Parcel is subject to the SHS Options
1394 and shall be dedicated to the Town by SHS concurrent with its acquisition of the Property. Such
1395 dedication shall include a thirty (30) foot wide drainage and utility easement that authorizes the
1396 construction, maintenance and operation of drainage and utility improvements (sewer, water,
1397 gas, telephone and electric) in the location depicted by Exhibit L. The Pump Station/Substation
1398 Parcel shall be accessed from Hiners Lane. The Hiners Lane access shall be limited to Town
1399 utility purposes and may not be used for access to Development on the Property without express
1400 approval by the County.

1401

1402

1403 **6. ROADS AND TRANSPORTATION IMPROVEMENTS**

1404

1405 6.1 Transportation Improvements. Except for the New TCCC Entrance, as defined
1406 below, if County, State or other public or private entity, as part of a County, State or federally
1407 funded project, construct, for the benefit of the public at large, a transportation improvement
1408 identified as an obligation of SHS or SHS-Successors pursuant to this Paragraph, SHS and SHS-
1409 Successors shall have no further obligation to construct such improvement or reimburse the
1410 constructing entity for the improvement cost, unless such reimbursement is required by State or
1411 federal law. In the event of a default by SHS or SHS-Successors that is not cured following
1412 notice and opportunity to cure in accordance with this Agreement, nothing in this Paragraph shall
1413 prevent the County or Town from constructing or causing construction of a transportation
1414 improvement identified as an obligation of SHS or SHS-Successors and recovering costs
1415 incurred, damages and pursuit of other available legal and equitable remedies.

1416

1417 6.2 On-Site Transportation Improvements. Subject to the limitations in Paragraph 4,
1418 SHS or SHS-Successors shall construct, or cause to be constructed, all on-site public and private
1419 roadways, roadway extensions and improvements required for the Project. All such
1420 improvements will be constructed and maintained in accordance with SHA, Town or County
1421 codes and construction standards, as applicable, and as permitted by the Development
1422 Approvals. Any private streets or roads on the Property shall conform to the Town’s street
1423 lighting requirements applicable to public roads in Town. All streets and roads, whether public
1424 or private, shall have signs installed, at SHS’ or SHS-Successors’ expense, that conform to the
1425 Manual on Uniform Traffic Control Devices (“**MUTCD**”) in effect at the time of installation.

1426

1427 6.2.1. *Ownership.* Excluding realigned Maryland Route 662, its traffic circle,
1428 the road segment between the traffic circle and Route 50 depicted by Exhibit F, which will be
1429 owned and maintained by SHA, the streets and roads within the Property will be privately owned
1430 and maintained or owned and maintained by the Town, at SHS' election, except that the Town
1431 will not accept any privately owned streets or roads unless and until SHS demonstrates that the
1432 improvements have been constructed and maintained in accordance with all applicable Town
1433 standards. SHS and/or SHS-Successor(s) will own each new street and roadway constructed
1434 within the Property by it or them until such improvement is dedicated to and accepted by SHA or
1435 the Town. Excepting Route 662 and any connection between it and Route 50, the Town shall
1436 accept the dedication of any road or street constructed on the Property provided that such road or
1437 street is constructed, bonded and dedicated in accordance with applicable Town standards,
1438 except that if the road or street is originally constructed with the intention of being private and is
1439 later dedicated to the Town, the Town may require such additional testing as it deems
1440 appropriate in its discretion to ensure that the road or street is constructed to Town standards and
1441 appropriate for acceptance. Such testing shall be at the expense of SHS or the SHS-Successor
1442 that is offering the road or street for acceptance. The Town may also require an extended
1443 warranty or bond prior to acceptance. The Parties agree that depiction of a public road, street or
1444 pathway on a site plan or subdivision plat, and any Town approval of such plans or plats, does
1445 not constitute acceptance by the Town or County of an offer to dedicate, but does constitute the
1446 creation of an easement for use by the public. Acceptance by the Town will be memorialized in
1447 a document signed by Town and SHS or the applicable SHS-Successor(s) and recorded in the
1448 Land Records. The County hereby agrees to cooperate with any deannexation by the Town, in
1449 the Town's discretion, of the entirety of the Hiners Lane and Hailem School Road right-of-way,
1450 including any dedication(s) resulting from Development of the Property.

1451 6.2.2. *Maintenance.* SHS or SHS-Successors shall maintain all on-site
1452 transportation right-of-ways and improvements, including streetlights, drainage and stormwater
1453 management systems, and street signage, unless and until the same are dedicated to and accepted
1454 by the State, Town or County. Any streets or roads that are intended to remain private shall
1455 continue to be maintained by SHS in good repair, including adequately maintaining and repairing
1456 the surface, subsurface, shoulders, ditches and culverts thereof, and to provide required
1457 emergency services and snow removal, in a manner equal to or greater than comparable public
1458 roadways in the Town of Easton. SHS hereby grants to the Town a right of access to the
1459 improvements. If SHS does not properly repair or maintain any private streets or roads, and fails
1460 to correct any deficiencies after being notified by the Town to do so, the Town may perform or
1461 have performed the proper maintenance and/or repair, with the costs thereof to be assessed again
1462 any property owned by SHS, as a lien collectible in the same manner as ordinary real estate taxes
1463 of the Town. If SHS intends to convey title and/or maintenance responsibilities for such private
1464 streets or roads to any SHS-Successor or any other person or entity, prior to such conveyance,
1465 SHS shall record covenants, in a form acceptable to the Town, that provides, in perpetuity, for
1466 the assessment and collection of fees from owners and parties responsible for maintenance of the
1467 streets or roads to fund the operation and maintenance of such streets and roads, including
1468 adequately maintaining and repairing the surface, subsurface, shoulders, ditches and culverts
1469 thereof, and to provide required emergency services and snow removal, in a manner equal to or
1470 greater than comparable public roadways in the Town of Easton. At a minimum, the covenants
1471 shall provide for regular and/or special assessments for the maintenance of the streets and roads,
1472

1473 which such assessments shall not be reduced without the express written consent of the Town.
1474 The covenants shall also provide for a right of access to the improvements by the Town and, in
1475 the absence of proper maintenance or repair, the ability for the Town to perform or have
1476 performed the proper maintenance or repair with the costs thereof to be assessed against the
1477 applicable property owners and persons responsible for maintenance, as a lien collectible in the
1478 same manner as ordinary real estate taxes of the Town. Any internal campus, way-making or
1479 directory signage located within a public right-of-way shall be authorized by a license or
1480 easement and shall be maintained by SHS or SHS-Successors. The provisions of this Paragraph
1481 6.2.2 shall survive termination or expiration of this Agreement.
1482

1483 6.2.3. *Route 662 Improvements; Vacation of Unnecessary Public Roadway.*
1484 During its initial phase of construction on the Property, SHS will realign the portion of Maryland
1485 Route 662 located on the Property. Although final approval of all improvements proposed for
1486 Route 662 is subject to SHA’s authority, the Town and County hereby support the modifications
1487 and improvements depicted by Exhibit F. Subject to SHS’ obligation to construct a new entrance
1488 to the Talbot County Community Center (“**New TCCC Entrance**”), SHS shall have no
1489 responsibility for any future improvements to or modifications of Route 662 that result from or
1490 are required to support development by Third Parties. During the Term hereof, SHS’
1491 responsibility, if any, for future improvements to or modifications of any public roads that result
1492 from or are required to support Development that is located on the Property shall be subject to
1493 the provisions of Section 4.
1494

1495 6.3. Off-Site Transportation Improvements and Medical Center Drive.
1496

1497 6.3.1. *State Highway Improvements.* Prior to occupancy of a hospital
1498 constructed on the Property, SHS will construct the following off-site transportation
1499 improvements recommended for Phase I (Site Access) as approved by SHA:
1500

- 1501 (a) Site access with three outbound lanes (two left turn lanes and a free-flowing right turn
1502 lane with an acceleration lane along US 50 approximately 1,200’ in length). The three
1503 outbound lanes will have a minimum length of 350’;
- 1504 (b) Two northbound left turn lanes along US 50 approximately 350’ in length with a 150’
1505 taper;
- 1506 (c) Southbound right turn deceleration lane approximately 670’ in length;
- 1507 (d) Traffic signalization for the site access along US 50. The traffic signal will be equipped
1508 with Opticom emergency detection equipment; and
- 1509 (e) Such other improvements as may be required by SHA in approved construction plans,
1510 specifications, permits or other approvals.

1511 SHS shall construct all such improvements in accordance with SHA approved plans and
1512 specifications and in accordance with any permits or approvals issued by SHA for performance
1513 of the work.
1514

1515 6.3.2. *County Road Improvements.* Except as provided in Paragraphs 6.3.3 and
1516 6.3.4, and subject to SHS providing the road improvements set forth in 6.3.1(a) through (d), the
1517 Parties hereby agree that the Development of: (i) a hospital consisting of 410,000 sq.ft. or less,
1518

1519 (ii) medical office building(s) consisting of 100,000 sq.ft. or less, and (iii) ambulatory care
1520 facilities consisting of 100,000 sq.ft. or less, or a combination of uses that generate comparable
1521 or lower traffic volumes under the County road ordinance, will not require SHS or SHS-
1522 Successors to complete any County road improvements or contribute towards the costs of any
1523 such improvements other than payment of applicable County impact fees, provided that such
1524 Development is not served by a road connection from the Property to Hailem School or other
1525 County Road. Except with respect to the aforementioned Development activities in this
1526 Paragraph, no vesting in or protection from generally applicable County road ordinances or
1527 regulations is provided by this Agreement. All additional Development of the Property shall be
1528 subject to any County road ordinances, regulations and permitting requirements, including fees
1529 or improvements required thereby, that are applicable to such Development and legally
1530 enforceable.

1531
1532 6.3.3. *Hailem School Road.* Initial phase(s) of Development are not planned to
1533 include the construction of road access to Hailem School Road. Unless and until SHS or SHS-
1534 Successors provide any improvements required by this Paragraph 6.3.3, access to Hailem School
1535 Road from the Property shall be restricted to agricultural access and access to serve only the
1536 Water Tower Parcel. Future improvements along Hailem School Road may be required to
1537 accommodate Development of the Property. SHS or SHS-Successors shall construct
1538 improvements to Hailem School Road that are necessary to mitigate the incremental traffic
1539 impact resulting from Development of the Property (considering then existing traffic conditions)
1540 and required by generally applicable and legally enforceable County and Town rules,
1541 regulations, ordinances and standards at SHS' or SHS-Successors' expense, except to the extent
1542 public funding is acquired for such purposes, in accordance with applicable standards and
1543 specifications of the County. The Town agrees to use its best efforts to support SHS or SHS-
1544 Successors in obtaining, and the County agrees to cooperate with SHS and SHS-Successors in
1545 timely completing, all required reviews and permits related to Hailem School Road
1546 improvements required by the County and Town to accommodate Development of the Property
1547 so long as said reviews and permits are consistent with Development approvals granted by the
1548 Town and/or County for the Property. All future access to Hailem School Road shall comply
1549 with all generally applicable and legally enforceable provisions of the County road ordinance.
1550 Not later than conveyance of Parcel "B" by the County pursuant to the SHS Options, SHS shall
1551 dedicate or cause to be dedicated to the County, or the County shall reserve to itself from such
1552 conveyance, a fee-simple interest in a strip of land for future road widening, drainage and utility
1553 improvements along the full length of the Property frontage on Hailem School Road for a width
1554 of fifty (50) feet measured east from the existing road centerline. The foregoing qualification
1555 regarding road access to Hailem School Road shall not serve as an absolute limitation on the
1556 construction of such access, but makes construction and use of any such access subject to any
1557 applicable and legally enforceable County requirements and SHS and SHS-Successors agree to
1558 obtain advance County approval of any such access according to such requirements.

1559
1560 6.3.4. *Goldsborough Neck Road Drainage Impacts.* A depressed segment of
1561 Goldsborough Neck Road is situated adjacent to the Property and downstream of the main
1562 drainage outfalls for the Property. SHS shall design, construct, and maintain stormwater
1563 management systems on the Property that are oversized to mitigate the 100-year design storm
1564 event to manage stormwater runoff on-site for all phases of Development that eventually flow to

1565 Goldsborough Neck Road. Provided the stormwater management systems for all drainage areas
1566 of the Property that flow to Goldsborough Neck Road are designed, constructed, and maintained
1567 to manage the 100-year design storm event, SHS and SHS-Successors shall have no obligation to
1568 elevate, reconstruct or otherwise modify Goldsborough Neck Road to mitigate stormwater
1569 impacts. Notwithstanding the foregoing, SHS-Successors may elect not to provide such
1570 stormwater management systems subject to the following requirements. In the event SHS or
1571 SHS-Successors elect not to design, construct, and maintain stormwater management systems
1572 that are adequate to manage the 100-year design storm event on all portions of the Property that
1573 flow to Goldsborough Neck Road, the County may require the owner(s) of the portions of the
1574 Property for which such stormwater management systems are not so designed, constructed
1575 and/or maintained to elevate, reconstruct or otherwise modify Goldsborough Neck Road to
1576 mitigate stormwater impacts resulting from Development of such portion(s) of the Property
1577 based on cumulative drainage area conditions existing at the time of Development approval. SHS
1578 and SHS-Successors shall prepare or have prepared appropriate hydrological studies by a
1579 qualified registered professional Maryland engineer showing the nature and extent of the
1580 proposed Development and its effect on existing stormwater facilities or systems and
1581 Goldsborough Neck Road. Prior to Development of any portion of the Property that flows to
1582 Goldsborough Neck Road, SHS or SHS-Successors shall submit a copy of the stormwater
1583 management plans prepared for review by the Town to the County DPW. The County shall
1584 promptly and reasonably review such plans to evaluate potential impacts to Goldsborough Neck
1585 Road to determine whether such Development will exacerbate the frequency or elevation of
1586 flooding of Goldsborough Neck Road during the 100-year design storm or lesser storm events.
1587 The applicant shall obtain County approval of such plans or other methods of addressing
1588 Goldsborough Neck Road flooding concerns prior to the Development.
1589

1590 6.3.5. *Ownership & Maintenance.* All off-site transportation improvements
1591 constructed within a public right-of-way shall be owned and maintained by the public entity that
1592 owns the right-of-way after such entity accepts such improvements. SHS or SHS-Successors
1593 shall maintain any off-site transportation improvements constructed by SHS or SHS-Successors
1594 until the same are accepted by the appropriate public entity.
1595

1596 6.3.6. *New Regional Medical Center Entrance and Route 50 Frontage.* Subject
1597 to the conditions precedent set forth in Paragraph 6.3.7, the County shall transfer to SHS that
1598 part, parcel, or portion of land located at 10028 Ocean Gateway, Easton, Maryland, Tax Map
1599 0017, Parcel 0038 identified as “Medical Center Drive, (Commercial Local Street), SRC Plat
1600 59033” and “Land to be Donated to the State Highway Administration, 3.968 acres±” by the
1601 Initial Plat, for construction of the new Regional Medical Center entrance (“**New RMC**
1602 **Entrance**”) and deceleration lanes for US Route 50. The land to be conveyed by the County for
1603 the New RMC Entrance is also identified on the State of Maryland Department of
1604 Transportation, State Highway Administration, State Roads Commission Plat Number 59033,
1605 dated June 29, 2012, which is incorporated by reference herein.
1606

1607 6.3.7. *New Community Center Entrance.* The County shall have no obligation to
1608 transfer or convey to SHS any interest in or to any part, parcel, or portion of land to be used for
1609 the New RMC Entrance, until the following conditions precedent have occurred to the County’s
1610 reasonable satisfaction:

1611
1612 (a) SHS, at its sole cost and expense, shall obtain all required permits for and
1613 construct a new entrance to the Talbot County Community Center (“**New TCCC Entrance**”) in
1614 accordance with plans paid for by SHS, reviewed and approved by the County, and prepared by
1615 Daft McCune Walker, Inc. entitled, “ENTRANCE RELOCATION PLAN FOR TALBOT COUNTY
1616 COMMUNITY CENTER”, dated May 15, 2012, last revised _____2012, which plans are
1617 incorporated by reference herein (collectively, the “**TCCC Plans**”). Final TCCC Plans shall
1618 have been approved by the County prior to execution of this Agreement. In addition to the
1619 TCCC Plans and any specifications referred to or incorporated therein, SHS shall prepare
1620 separate specifications (“TCCC Specifications”) for construction of the New TCCC Entrance.
1621 As a condition of the license granted by the County to SHS pursuant to sub-paragraph 6.3.7(c)
1622 below, SHS shall provide to the County TCCC Specifications not later than 90 days prior to
1623 commencement of construction, subject to County review and approval, and final TCCC
1624 Specifications shall have been approved by the County not later than thirty (30) days prior to
1625 commencement of construction.

1626
1627 SHS’s obligation shall include all costs of any kind, nature, or description, including
1628 design, engineering, permitting, bonding, insurance, site-work, construction, landscaping,
1629 construction management, administration, inspection, changes, change orders, unknown
1630 conditions, and contingencies. It shall also include a warranty for the use and benefit of the
1631 County, in form and content acceptable to the County, for a period of one year following the
1632 County’s acceptance and commencement of general public use of the New TCCC Entrance, and
1633 a separate warranty guaranteeing survival of all landscaping for two complete calendar years
1634 commencing upon completion of all required landscaping.

1635
1636 (b) SHS shall be solely responsible for construction and completion of the
1637 work in accordance with the Construction Documents (defined below) as approved by the
1638 County and Town. The County shall have the right to review and approve, in its reasonable
1639 discretion, all final designs, plans, drawings, specifications, bid documents, contracts,
1640 subcontracts, changes, phasing, schedules, change orders, inspection reports (collectively, the
1641 “**Construction Documents**”) for the New TCCC Entrance, which Construction Documents shall
1642 be consistent with the TCCC Plans, which have been approved and accepted by the County.
1643 Construction of the New TCCC Entrance shall also comply with all applicable Town Codes,
1644 standards, specifications and other requirements. The County shall be authorized to retain
1645 qualified construction inspectors, firms, or agencies to review, monitor, inspect, and approve or
1646 disapprove the Construction Documents and the work performed by SHS or its agents,
1647 contractors, or subcontractors on the New TCCC Entrance and water and sewer infrastructure
1648 extending from Rt. 662 to the Community Center to the extent SHS is providing the same to
1649 accommodate water and sewer service to the Community Center. The County’s actual
1650 inspection costs shall be reimbursed by SHS at a cost not to exceed \$500 per work day from
1651 commencement of the New TCCC Entrance through Completion thereof, and the County agrees
1652 to cooperate with SHS, including reasonable consideration of engaging inspectors otherwise
1653 working on the Property, to minimize inspection costs while still providing the County with
1654 assurances that the New TCCC Entrance is constructed in accordance with this Agreement and
1655 all applicable construction standards otherwise required by law.

1656

1657 SHS' bid documents shall include construction of water and sewer infrastructure to
1658 extend the Property Water Facilities and Property Wastewater Facilities to the vicinity of the
1659 Community Center in accordance with Paragraph 7.6.
1660

1661 (c) The County and SHS shall jointly identify and designate the portions of
1662 lands owned by the County that must be accessed or disturbed by SHS or its Representatives
1663 (defined below) in connection with the construction of the New TCCC Entrance ("**License**
1664 **Area**"). At a minimum, the License Area shall include all lands located within the Limit of
1665 Disturbance or "LOD" designated by the erosion control plans of the TCCC Plans. In
1666 consideration of SHS' agreement to construct the New TCCC Entrance, the County hereby
1667 grants to SHS a license ("**License**"): (1) to enter upon and use the License Area in connection
1668 with the construction of the New TCCC Entrance; (ii) to construct the New TCCC Entrance in
1669 accordance with this Agreement upon the License Area; and (iii) to use existing roadways,
1670 driveways and pedestrian ways located on the Talbot County Community Center property for
1671 vehicular and pedestrian ingress and egress to and from the License Area. SHS and its
1672 construction managers, consultants, architects, engineers, contractors and subcontractors retained
1673 in connection with the New TCCC Entrance (collectively, "**Representatives**") shall be permitted
1674 to use this License.
1675

1676 At all times during the term of the License, SHS shall, at its own cost and expense, be
1677 responsible for the actions and personal property of SHS and its Representatives on the
1678 License Area. Prior to Completion of the New TCCC Entrance, SHS shall repair any damage
1679 to the improvements, personal property, grounds, and facilities upon the Talbot County
1680 Community Center property caused by SHS' or its Representatives' use of the License Area,
1681 including grading or regarding and establishment or reestablishment of all lawn and
1682 landscaping. Prior to termination of the License, SHS shall promptly remove any and all
1683 temporary structures, facilities and improvements, including, without limitation, all tools,
1684 materials and equipment used or stored and any trash or debris remaining on the License
1685 Area and restore all disturbed areas to their former condition or as shown on the TCCC
1686 Plans. The License shall terminate upon Completion of all activities depicted by the TCCC
1687 Plans, including the County's written approval and acceptance of New TCCC Entrance and
1688 County approval of the demolition and stabilization of the existing TCCC access to Route 50.
1689

1690 SHS shall not use or permit uses upon the License Area which unreasonably interfere with
1691 access to or operation of the Talbot County Community Center. The County and SHS shall
1692 cooperate to effect the construction of the New TCCC Entrance in a manner which provides
1693 vehicular access to the northern and southern Talbot County Community Center entrance doors
1694 at all times. Consistent with the TCCC Plans sequence of construction, the existing TCCC
1695 access to Route 50 shall not be obstructed or demolished before the New TCCC Entrance is
1696 complete, accepted by the County, and open for public use. SHS shall advise the County of
1697 construction schedule changes for the New TCCC Entrance and shall adhere to the construction
1698 schedule in the Construction Documents unless changed by the County, which consent shall not
1699 be unreasonably withheld. County shall be responsible for communications with the public
1700 regarding access and circulation pattern changes during construction. The intent of SHS and
1701 County is to cooperate in order to prevent unreasonable impairment of the use, operation,
1702 occupancy or enjoyment of, or ingress to or egress from the Talbot County Community Center,

1703 while recognizing that construction of the New TCCC Entrance and closure of the existing Route
1704 50 access may cause temporary but unavoidable adverse impacts upon the Talbot County
1705 Community Center which the parties shall seek to minimize and mitigate through construction
1706 management and public communication.

1707
1708 (d) Upon Completion by SHS of the New TCCC Entrance in accordance with
1709 the TCCC Plans and TCCC Specifications and applicable Town codes, standards, and design
1710 criteria and acceptance by the County, the County shall advertise the proposed disposition of
1711 land set forth in Paragraph 6.3.6 to be transferred to SHS for the New RMC Entrance in
1712 accordance with the requirements of Article 25A § 5B, Md. Ann. Code, and, upon finding that
1713 the parts, parcels, or portions of land are no longer needed for public use for access to the
1714 Community Center or as part of the Community Center property, County shall transfer and
1715 convey such parts, parcels, or portions of land to SHS.

1716 (e) Not later than the conveyance provided for in subparagraph (d) above, the
1717 County shall also establish a license over portions of the County’s remaining property, including
1718 Rt. 50 frontage of the Hog Neck Golf Course, for access and temporary disturbance by SHS, its
1719 contractors, agents and representatives as necessary to facilitate construction of the New RMC
1720 Entrance and related improvements to Route 50, including acceleration and deceleration lanes
1721 and drainage and stormwater improvements. Such license shall be established pursuant to the
1722 same procedure and subject to terms comparable to those described in subparagraph (c) for the
1723 New TCCC Entrance.

1724
1725

1726 **7. Public Utilities**

1727
1728 7.1 Public Utility Improvements – Generally. Except as otherwise agreed herein or in
1729 any other agreement, SHS or SHS-Successors will construct or cause to be constructed on the
1730 Property such lighting, gas, cable, electric and public water and sanitary sewer utility extensions
1731 as necessary to meet the utility service requirements of Development of the Property. Such
1732 utility improvements and extensions will be located, designed, constructed, maintained, operated
1733 and owned pursuant to standards and specifications of the Town and/or the applicable utility
1734 provider and in accordance with this Agreement. Notwithstanding any provision herein, all
1735 utility improvements and extensions shall be subject to the applicable tariff(s) in effect at the
1736 time service is extended.

1737
1738 7.2 Off-Site Water and Wastewater System Extension and Capacity Improvements.
1739 The Property and the Community Center are not currently served by Town water or wastewater
1740 systems. Extension of and improvements to both systems are required to Develop the Property
1741 and to serve the Community Center. This Agreement is intended to define the parties’ rights and
1742 obligations and the structure within which design decisions, the allocation of capacities, and
1743 responsibilities for construction and costs will be addressed and/or implemented in the future.

1744
1745 7.2.1 *Water System.* The Town water system shall be extended to serve the
1746 Property, the Community Center, and such other areas, if any, as determined pursuant to
1747 Paragraph 7.3 (“**Water System Extension**”). All components of the Water System Extension

1748 shall be sized to accommodate the flows and capacities reserved under Paragraph 7.3. The
1749 Water System Extension shall include the following:

1750 (i) 12” water mains that extend to the southwestern and southeastern areas of
1751 the Property (in the locations designated by Exhibits O and P as the limits of 12” water lines
1752 constructed by SHS or the “Property Water Facilities” as defined below) from existing Town
1753 water mains generally located in the vicinity of Easton Utilities’ Goldsborough Sewage Pump
1754 Station and the intersection of Airport Road and Route 662, respectively;

1755 (ii) all other components, improvements, equipment and appurtenances as
1756 required by applicable Town standards and MDE design criteria; and

1757 (iii) additional components, improvements, equipment and appurtenances not
1758 required by Town standards but requested by any Party pursuant to Paragraph 7.4, subject to the
1759 provisions of Paragraphs 7.4 and 7.7 regarding cost responsibilities.

1760
1761 The anticipated alignment of the off-site Water System Extension and the specific locations of
1762 the northern termini of the Water System Extension, which are the connection points between the
1763 Water System Extension and the Property Water Facilities (defined below) are depicted and
1764 described by the plans attached as Exhibits M-P.

1765
1766 *7.2.2 Wastewater System.* The Town sewer system shall be extended to serve
1767 the Property, the Community Center, and such other areas as determined pursuant to Paragraphs
1768 7.3 and 7.4, if any (“**Wastewater System Extension**”). All components of the Wastewater
1769 System Extension shall be sized to accommodate the flows and capacities reserved under
1770 Paragraph 7.3. The Wastewater System Extension shall include the following:

1771 (i) a pump station sized, designed and located to accommodate flows from
1772 the entire Property and the Community Center property via gravity flow considering existing
1773 topography and all other flows provided for under this Agreement. The pumps and electrical
1774 components shall be covered by manufacturers’ warranties or extended warranties that extend
1775 until one-year after issuance by the Town of the first certificate of occupancy for a hospital
1776 constructed on the Property;

1777 (ii) connection of the Property Wastewater Facilities (defined below) at the
1778 southern property line of the Pump Station/Substation Parcel to the wet well of the pump station;

1779 (iii) a 12” forcemain extending from the Pump Station to the Town’s existing
1780 collection system, as depicted by plans approved by the County, Town, and MDE to
1781 accommodate the flows determined under this Agreement;

1782 (iv) all other components, improvements, equipment and appurtenances as
1783 required by applicable Town standards and MDE design criteria as depicted by plans approved
1784 by the County, Town and MDE, such as pump station monitoring, control and backup power
1785 generation systems; and

1786 (v) additional components, improvements, equipment and appurtenances
1787 requested by any Party pursuant to Paragraph 7.4 but not required by Town standards, subject to
1788 the provisions of Paragraphs 7.4 and 7.7 regarding cost responsibility.

1789
1790 The anticipated on-site and off-site alignment of the Wastewater System Extension are depicted
1791 and described by the plans attached as Exhibits M-O.

1792

1793 7.3 Allocation and Reservation of Capacity. The Water System Extension and
1794 Wastewater System Extension (collectively, the “**Extensions**”) shall be sized to accommodate
1795 the flows specified by and determined pursuant to this Paragraph 7.3. In light of the significant
1796 capital investment incurred by the parties in sizing, designing and constructing the Water System
1797 Extension and Wastewater System Extension to accommodate projected increasing flows during
1798 the long-term Development of the Property and Community Center Property, the Town shall be
1799 obligated to accept the flows and flow capacity within such Extensions is hereby reserved by and
1800 allocated to County and SHS as specified in Paragraphs 7.3.1 and 7.3.3, respectively
1801 (“**Extension Flow Reservations**”). SHS may assign portions of the Extension Flow
1802 Reservations to any SHS-Successor in SHS’ sole discretion. The Extension Flow Reservations
1803 provided for herein shall not constitute or result in any reservation of capacity in the Town’s
1804 existing water or wastewater systems. Allocation and reservations of such production or
1805 treatment capacities shall remain subject to applicable tariff(s), fees and charges in effect at the
1806 time of payment for such system capacity, unless otherwise waived by the Town. Nevertheless,
1807 the Town agrees that rights to produce and direct the flows specified in this Paragraph 7.3
1808 through the Extensions shall be reserved to and available only for use by County, SHS and/or
1809 their assigns. SHS, SHS-Successors and County shall not be responsible for any incremental
1810 improvements or expansions that exceed the flow capacities constructed and reserved pursuant to
1811 Paragraphs 7.3.1 or 7.3.3, if any. The Town shall not be responsible for enforcing any internal
1812 agreements between the owners of the Property regarding allocation of capacity within the
1813 Extensions.

1814
1815 7.3.1 *County.*

1816
1817 7.3.1.1 Hospital. Contingent on SHS committing in writing to construct
1818 an acute care hospital with at least 100 beds, the Extensions shall include 81,800 gpd of capacity
1819 to serve the Property.

1820
1821 7.3.1.2 Community Center. The Extensions shall include 12,500 gpd of
1822 capacity to serve the Community Center, including any anticipated expansion thereof.

1823
1824 7.3.2 *Town.*

1825
1826 7.3.2.1 North Easton Service Area and Reserve Capacity. Any capacity
1827 contained within the Extensions other than that required and reserved by the County (Paragraph
1828 7.3.1) or SHS (Paragraph 7.3.3) shall be available for future use and allocation by the Town,
1829 subject to the provisions requiring reimbursement in accordance with Paragraph 7.7.4.

1830
1831 7.3.3 SHS. Development of the Property (Excluding the Hospital). The
1832 Extensions shall include 122,900 gpd of capacity to serve the future Development of the
1833 Property exclusive of and in addition to the capacity provided by the County for SHS’ use
1834 pursuant to Paragraph 7.3.1.1.

1835
1836 7.4 *Design & Construction Responsibilities, Coordination and Timeframes.* The
1837 Parties shall cooperate in connection with the design of all utility infrastructure for their mutual
1838 benefit. When and as available, SHS shall circulate to Town and County plans and/or exhibits

1839 that confirm the locations and inverts of the various connection points between the pipe and
1840 conduit systems to be constructed by SHS and those to be constructed by Town or County. All
1841 Parties shall construct such utility system components in accordance with approved plans. The
1842 County shall be responsible for extending all utility lines from the Pump Station to the southern
1843 boundary of the Pump Station/Substation Parcel. Notwithstanding the foregoing, the second or
1844 later Party to extend or construct its portion of a utility system component to a point of
1845 connection shall be responsible for verifying the precise location of the system component to
1846 which it must connect and for making and testing such connection in accordance with applicable
1847 standards and requirements and sound engineering and construction practices.

1848
1849 SHS, SHS-Successors and Town shall cooperate with the County, at no expense to SHS,
1850 SHS-Successors or Town, in connection with all grant or loan applications for public funding for
1851 water and sewer infrastructure. SHS, SHS-Successors and Town shall have no liability for
1852 repayment of any grants or loans undertaken by the County.

1853
1854 The County shall complete its bid and procurement procedures for the Extensions on
1855 such timing as required to satisfy its obligations hereunder. The County's obligation to construct
1856 the Extensions shall be triggered upon the occurrence of all of the following (the date of which
1857 shall be the "**Trigger Date**"): (i) SHS' acquisition of the Property, (ii) issuance or approval of a
1858 Certificate of Need authorizing construction of a hospital containing at least 100 licensed beds on
1859 the Property, and (iii) issuance by the Town of the first grading, foundation, building or other
1860 permit authorizing work associated with construction of such hospital. The eastern components
1861 of the Water System Extension shall be complete and available for connection to the Property
1862 Water Facilities and operation thereof on or before three (3) months after the Trigger Date. The
1863 western components of the Water System Extension shall be complete and available for
1864 connection to the Property Water Facilities (as depicted by Exhibit P) and operation thereof on or
1865 before fifteen (15) months after the Trigger Date. The Wastewater System Extension shall be
1866 complete and available for connection to the Property Wastewater Facilities and operation
1867 thereof on or before fifteen (15) months after the Trigger Date.

1868
1869 The Initial Electric System Extension (defined below) shall be complete and available for
1870 service to the Property on or before two (2) months after the Trigger Date, provided that SHS
1871 files a complete and approved application for electric service with Easton Utilities and pays all
1872 fees and/or contributions in accordance with the applicable tariff by January 1, 2013 and
1873 provided that all easements necessary to provide the Initial Electric System Extension are
1874 obtained by February 1 1, 2013. If the Trigger Date occurs before the foregoing dates, the Initial
1875 Electric System Extension shall be complete and available for service to the Property on April 1,
1876 2013. The Gas System Extension (defined below) shall be complete and available for service
1877 and connection to the Property Gas Facilities (defined below) on or before sixteen (16) months
1878 after the Trigger Date provided that SHS files a complete and approved application for gas
1879 service with Easton Utilities and pays all fees and/or contributions in accordance with the
1880 applicable tariff by April 8, 2013. The Permanent Electric System Extension (defined below)
1881 shall be complete and available for service to the Property on or before fourteen (14) months
1882 after the Trigger Date provided that SHS files a complete and approved application for electric
1883 service with Easton Utilities and pays all fees and/or contributions in accordance with the
1884 applicable tariff by January 1, 2013. Upon completion of each such improvement and

1885 satisfactory inspection by Town, such improvements shall be dedicated or conveyed to Town and
1886 shall thereafter be owned, operated and maintained by Town. The foregoing deadlines for
1887 provision of electric or gas services by Easton Utilities shall be extended on a day-for-day basis
1888 for each day that the respective application(s) for service are delivered or are not complete after
1889 the aforementioned submittal deadlines.

1890
1891 *7.4.1 Design and Right-of-Way Responsibility.* County retained Easton Utilities
1892 to design the pump station and Extensions to the southern Property lines, and Easton Utilities
1893 provided 90% drawings to the County in April 2010, and final construction plans to the County
1894 in February, 2011. Except as provided in the following paragraph, County has fulfilled its design
1895 responsibilities for the Extensions. County shall be responsible for the permitting of the
1896 Extensions, except for specific components of the Extensions requested by another Party under
1897 Paragraphs 7.2.1(iii) or 7.2.2(v), which specific components shall be designed, permitted, and
1898 funded by the Party requesting the same. The County shall also be responsible for identifying,
1899 surveying and obtaining all right-of-ways necessary for construction of the Extensions from the
1900 boundaries of the Property to the appropriate connection points within the existing Town utility
1901 systems, which right-of-ways or easements shall be conveyed to the Town by instrument(s)
1902 recorded among the Land Records of Talbot County by February 1, 2013. All off-site right-of-
1903 ways required for the Extensions shall be obtained and/or confirmed by the County in sufficient
1904 time to permit the County to satisfy the deadlines set forth in Paragraph 7.4, and shall be for the
1905 benefit of the Town. If County is unable to obtain off-site easements and rights-of-way as may
1906 be necessary, the Town shall assist the County in accordance with Paragraph 9.1.

1907
1908 The County has paid Easton Utilities in full to design the Extensions. Easton Utilities has
1909 prepared and approved final plans for the Extensions. SHS elected to realign the forcemain
1910 along Rt. 662 and has agreed to pay the County Fourteen Thousand Two Hundred Fifty Dollars
1911 (\$14,250) as full compensation for adjustment of the forcemain and pump station alignment to
1912 follow Route 662 and preparation of final construction and bid plans and documents for the
1913 County's construction of the Extensions. SHS agrees to cooperate with the County and to make
1914 available to the County and Lane Engineering, LLC such existing CAD or other electronic
1915 design files related to the Extensions as required by the County. The County shall be solely
1916 responsible for coordinating, directing, supervising, and approving Lane Engineering, LLC's
1917 work. The County shall apply for all construction permits and approvals from MDE and such
1918 other agencies as may be required for construction of the Extensions in a manner and on such
1919 timing as necessary to satisfy its obligations hereunder.

1920
1921 *7.4.2 Design Coordination Timeframe.* All requests hereunder for capacity
1922 reservation or specific system components or modifications have been communicated to the
1923 Party responsible for such design.

1924
1925 *7.4.3 Construction Responsibility.* County shall construct the Extensions in
1926 accordance with plans approved by SHS, Town and County. Between SHS and the County, the
1927 last Party to construct their portion of the water system infrastructure in the vicinity of the
1928 connection points between the Property Water Facilities and the Water System Extension shall
1929 be responsible for connecting and testing the connection of these two segments of the water
1930 system. County shall be responsible for connection of the Property Wastewater Facilities

(defined below) to the pump station provided that SHS has terminated the Property Wastewater Facilities on the Pump Station Parcel prior to construction of the pump station wet well. County shall construct the improvements required by Paragraph 7.6 in accordance with plans approved by County, Town and SHS. Notwithstanding the foregoing, if SHS constructs the new alignment of Route 662 prior to the County's construction of the Extensions, SHS shall install sleeve(s) under the new road to accommodate road crossing(s) of the Extensions. SHS shall construct the improvements required by Paragraph 7.5 in accordance with plans approved by Town. Division of responsibilities for construction of gas and electric system improvements are addressed in Paragraphs 7.4, 7.11, 7.12 and 7.13, respectively.

7.4.4 *Cooperation by Town and County to Facilitate Timely Completion.* Each Party hereto shall support the other Parties and promptly respond to requests for information, coordination, interpretation of codes or standards or other requests for assistance to facilitate the timely and efficient coordination and construction of utilities for the Property.

7.5 Property Water Distribution and Wastewater Collection Improvements. SHS or SHS-Successors shall construct water distribution facilities within the Property and extending from the Water System Extension as necessary for Development of the Property in accordance with construction plans approved by Town, the general location of initial phases of which is depicted by Exhibit M. Such improvements shall consist of a system of pipes, water mains, laterals, service lines, hydrants, feeders, regulators, fixtures, connections and attachments, meters and such other appurtenances necessary or proper for the purposes of distributing or supplying water for domestic, commercial and fire protection purposes and for any other purposes (excluding, at SHS' election, irrigation) for which water may be used by or on the Property (collectively, the "**Property Water Facilities**"). The Property Water Facilities include, without limitation, a 16" water line stubbed to and terminated with a valve at the southern boundary of the 40' drainage, utility and access easement located on the Water Tower Parcel, as generally depicted by Exhibits K and P.

SHS or SHS-Successors shall construct the wastewater collection systems and facilities within the Property as necessary to convey wastewater flows from Development of the Property by gravity to the Pump Station/Substation Parcel in accordance with construction plans approved by the Town, the general location of initial phases of which is depicted by Exhibit M. Such improvements shall consist of a system of pipes, wastewater mains, laterals, manholes, connections and attachments and such other appurtenances necessary or proper for the purposes of collecting and transporting wastewater generated within the Property to the Pump Station/Substation Parcel (collectively, the "**Property Wastewater Facilities**"). SHS shall design and construct the Property Wastewater Facilities to be capable of conveying wastewater flows from the Community Center property to the Pump Station/Substation Parcel by gravity at a volume not to exceed that reserved in Paragraph 7.3.1.2. The depth of the Property Wastewater Facilities shall be limited to that necessary to provide gravity service to the Property and the Community Center as depicted by Exhibit M, the invert elevation for future connection to MH9 shall be 48.3±.

7.6 Community Center Water and Wastewater Improvements. County shall construct all water improvements required to connect the Community Center to the Property Water

1977 Facilities in accordance with construction plans approved by the Town. Such improvements
1978 shall include an 8” water line and a system of water pipes, mains, laterals, hydrants, regulators,
1979 fixtures, connections and attachments, meters and such other appurtenances necessary or proper
1980 for the purposes of supplying water for domestic, commercial and fire protection purposes for
1981 the Community Center at a volume not to exceed that reserved pursuant to Paragraph 7.3.1.2.
1982

1983 SHS is responsible for the cost of constructing an 8” water line stub, terminated with a
1984 valve, onto the TCCC Expansion Parcel as depicted by Exhibit M. SHS is also responsible for
1985 the cost of constructing and capping an 8” gravity sewer line onto the TCCC Expansion Parcel as
1986 depicted by Exhibit M. In addition to the foregoing, SHS will extend water and sewer lines
1987 across the TCCC Expansion Parcel in conjunction with its construction activities for the New
1988 TCCC Entrance. Such extensions shall terminate at locations approved by SHS and County.
1989 These extensions will be priced as an option by SHS’ contractor and the costs of extending these
1990 lines beyond the stubs depicted on Exhibit M shall be credited against SHS’ obligations to
1991 County under Paragraph 7.7.3. The County shall be responsible for connection of the
1992 Community Center to the water and sewer lines constructed by SHS. Upon connection to the
1993 Town sewer system, the County shall be responsible for abandonment of the existing septic
1994 system. Subject to Health Department approval, the Community Center may elect to continue to
1995 use the existing well servicing the Community Center and the well and septic system servicing
1996 the County’s existing concession stand, without any requirement to connect to the Town water
1997 and wastewater systems.
1998

1999 **7.7 Cost Allocation and Responsibility.**
2000

2001 **7.7.1 County.** County previously paid for the initial design of the Extensions.
2002 Subject to the defined contribution by SHS for the cost of consolidating the DMW design of the
2003 forcemain with plans previously prepared for the County, County shall be responsible for the
2004 cost of design and right-of-way evaluation and acquisition in accordance with Paragraph 7.4.1.
2005 County shall be responsible for the cost of constructing Extensions sized only to provide the
2006 capacity reserved under Paragraph 7.3.1 (“**Primary Extensions Cost**”), which shall be
2007 determined in accordance with Paragraph 7.7.6. County shall also be responsible for the costs of
2008 design and construction of any component(s) of the Extensions requested by County under
2009 Paragraphs 7.2.1(iii) or 7.2.2(v). County shall also be responsible for the costs of design,
2010 connection to the water and sewer stubs constructed by SHS, and construction of the
2011 improvements described by Paragraph 7.6.
2012

2013 **7.7.2 Town.** Town shall be responsible for the cost of design and construction
2014 of any component(s) of the Extensions requested by Town under Paragraphs 7.2.1(iii) or
2015 7.2.2(v). In addition, to the extent that the Town requires certain components of the Extensions
2016 to be designed, located, oversized or constructed in a manner to facilitate or accommodate future
2017 expansion, the Town shall be responsible only for the increased costs of materials associated
2018 with such requirement(s).
2019

2020 **7.7.3 SHS.** SHS shall be responsible for the actual incremental cost of
2021 increasing the flow capacity of the Extensions beyond the flow capacity reserved under
2022 Paragraph 7.3.1 to include the flow capacity reserved under Paragraph 7.3.3 (“**Incremental**”).

2023 **Extensions Cost**”). SHS shall also be responsible for the costs of design and construction of any
2024 component(s) of the Extensions requested by SHS under Paragraphs 7.2.1(iii) or 7.2.2(v). SHS
2025 shall also be responsible for the costs of design and construction of the improvements described
2026 by Paragraph 7.5.

2027
2028 *7.7.4 Third Parties.* In the event the Extensions include additional capacity
2029 under Paragraphs 7.3.1, 7.3.2.1 or 7.3.3 or if the Extensions serve parcels lying outside the
2030 Property and the Community Center through use of any portion of the infrastructure paid for by
2031 County, the County shall be entitled to reimbursement from the owner of such other parcel(s)
2032 served by this infrastructure for a pro-rata portion of the costs County incurred to extend water
2033 and sewer infrastructure, whether from the general fund, loans, or any combination of funding
2034 sources, excluding grants. The Town and County agree to cooperate and negotiate in good faith
2035 to evaluate the legal authority, formula, and administrative processes for such reimbursement.

2036
2037 *7.7.5 Future Water Tower.* Based on a water supply study of the Town water
2038 system completed by Whitman, Requardt & Associates, LLP and a related report entitled “Final
2039 Technical Memorandum No. 2” and dated May 8, 2012, the Town agreed not to require
2040 additional water storage to meet the projected water demands and fire flow requirements for
2041 initial phases of construction on the Property. The timing and allocation of responsibility for the
2042 construction and cost of any future water tower on the Property shall be discussed and resolved
2043 between the Town, SHS and SHS-Successors in the future.

2044
2045 *7.7.6 Determination of Primary Extensions Costs and Incremental Extensions*
2046 *Costs Between SHS and County.* The Primary Extensions Costs and Incremental Extensions
2047 Costs shall be determined by the County’s bid process associated with construction of the
2048 Extensions. The County shall include in its bid requests alternative specifications reasonably
2049 acceptable to County and SHS that require bidders to price the Wastewater System Extension
2050 with two substitutions: (1) changing the pipe size to construct an 8” diameter forcemain instead
2051 of a 12” diameter forcemain, and (2) installation of pump(s) sized to accommodate only the
2052 flows required by Paragraph 7.3.1, rather than installation of pump(s) sized to accommodate
2053 flows required by Paragraphs 7.3.1 and 7.3.3. Except for the forcemain pipe diameter and pump
2054 capacity, all other aspects and components of the Wastewater System Extension shall remain the
2055 same. The Primary Extensions Costs shall be equal to the cost of the Water System Extension
2056 plus the bid price submitted by the contractor selected by the County for the Wastewater System
2057 Extension with the two aforementioned substitutions. The Incremental Extensions Costs shall be
2058 equal to the actual bid price accepted by the County for the Wastewater System Extension less
2059 the alternative bid price provided by the same contractor for the Wastewater System Extension
2060 with the two aforementioned substitutions.

2061
2062 *7.8 Irrigation Well(s).* Town and County agree that, subject to applicable State laws
2063 and permitting requirements, SHS and SHS-Successors may design, permit, drill, construct,
2064 operate and maintain all well(s) required to serve the irrigation water demands of the Property
2065 pursuant to applicable rules, regulations, and permits. The location and timing of drilling or
2066 construction and the manner, extent and frequency of use of such well(s) shall be at the
2067 discretion of SHS and SHS-Successors subject to applicable permits. No such well(s) or any

2068 system connected thereto may be connected to the Town water system or any facility connected
2069 to the Town water system.

2070
2071 7.9 Prior Approval by Town. Before the commencement of construction of public
2072 Water Facilities or Wastewater Facilities for the Property, the Party responsible for construction
2073 shall submit plans and specifications thereof to the Town and obtain the Town’s written approval
2074 of such plans and specifications (with respect to the Water and Wastewater System Extension,
2075 County’s and SHS’ obligations to prepare and compile such plans and specifications are
2076 addressed by Paragraph 7.4.1).

2077
2078 7.10 Dedication to Town. The Water Facilities, Wastewater Facilities, all duct banks
2079 described by Paragraph 7.12 (subject to certain express reservations), Gas System Extension
2080 (defined below), and all easements necessary to provide utility service to the Property by the
2081 Town shall be conveyed to and accepted by Town upon completion of construction of such
2082 facility(s), in accordance with the policies and procedures typically applicable to such
2083 dedications.

2084
2085 7.11 Gas System Extension. Pursuant to Paragraph 7.4, the Town shall construct a 6-
2086 inch H.P. 60 PSI gas main from the gate station on Dover Road to a point immediately west of
2087 Maryland Route 662 at the southernmost corner of the Property, which location is generally
2088 depicted by Exhibits M and O (“**Gas System Extension**”). SHS shall be responsible for
2089 engaging a qualified contractor as per Easton Utilities requirements to extend the 6-inch gas
2090 main under and then along the east side of relocated Route 662 as generally depicted by Exhibits
2091 M and O. SHS shall provide connections to the new hospital central energy plant and valve “T”s
2092 for future buildings. SHS shall also construct a 2-inch feed to the southern boundary of the Pump
2093 Station/Substation Parcel. The County shall be responsible for connection of the pump station’s
2094 emergency generator to the 2-inch line installed and capped by SHS at the Pump
2095 Station/Substation Parcel boundary. The Town shall provide interruptible gas service to the
2096 Property in accordance with the applicable tariff and under the terms of a “special contract” to be
2097 negotiated between SHS and Town and subject to approval by the Public Service Commission.

2098
2099 7.12 Property Duct Bank. SHS shall construct duct banks on the Property for use by
2100 the Town, SHS and others as generally depicted by Exhibits M, O, and Q. The duct bank
2101 extending along the west side of the entire length of relocated Route 662 shall consist of twelve
2102 (12) 6” conduits, all of which shall be available for use by Town for electric, fiber optic and
2103 broadband TV cable, and shall include manholes every 1,000 feet. SHS shall construct a duct
2104 bank from Route 662 to the southern boundary of the Pump Station/Substation Parcel consisting
2105 of three (3) 6” conduits and two (2) 4” conduits. Town and/or County shall be responsible for
2106 extending this duct bank across the Pump Station/Substation Parcel to the substation and pump
2107 station, as agreed by Town and County. SHS shall construct an additional duct bank consisting
2108 of seven (7) 4” conduits, four (4) of which will be made available to Verizon while the remaining
2109 three (3) will remain available for use by SHS or its assigns or designees for future needs.
2110 Unless otherwise agreed by SHS and Town, SHS shall construct an additional duct bank
2111 consisting of six (6) 6” conduits, which shall extend along the northern boundary of the Property
2112 from Hailem School Road to the central energy plant as generally depicted by Exhibits M and Q.
2113 All duct banks shall be protected by concrete backfill at road crossings in accordance with

2114 applicable Town standards. The foregoing duct banks will be dedicated to Town, subject to
2115 SHS’ right to use of the three ducts reserved for SHS and four ducts reserved for Verizon.
2116

2117 7.13 Electric Service and System Extension. Town shall provide temporary electric
2118 service (1000A, 480V, 3 Phase) to within one-hundred (100) feet of the proposed central energy
2119 plant (location to be confirmed by SHS by January 1, 2013) (“**Initial Electric System**
2120 **Extension**”).
2121

2122 Town shall extend primary 25 KV electric service to the Property from its existing Substation #2
2123 through an underground duct bank system, with the costs thereof to be assessed in accordance
2124 with applicable tariffs and Paragraph 7.4. All off-site duct construction shall be constructed by
2125 the Town. Within the Property, the Town shall provide and install the electrical cable and
2126 system components within the duct system installed by SHS pursuant to Paragraph 7.12. The
2127 duct bank located on the Property shall be complete and accepted by Town on or before October
2128 1, 2013. The Town’s deadline for completion of Permanent Electric System Extension shall be
2129 extended on a day-for-day basis for each day that SHS’ completion of the duct bank required for
2130 such extension is delayed beyond October 1, 2013. Town shall relocate the existing 8.3 KV
2131 electrical system located adjacent to Route 662 immediately upon SHS’ completion and
2132 acceptance by Town of the duct bank components required for such work and shall complete
2133 such relocation within 90 days of completion of the duct bank. SHS’ contribution to Easton
2134 Utilities towards the cost of relocating the 8.3 KV components, if any, shall be determined in
2135 accordance with the applicable tariff and generally applicable policies of the Town.
2136 Additionally, in accordance with Paragraph 7.4, Town shall extend a redundant 25KV service
2137 line from its existing Substation # 3 overhead to the northern Property corner at Hailem School
2138 Road and shall provide and install the electrical cable and system components from Hailem
2139 School Road to the central energy plant with the costs thereof to be assessed in accordance with
2140 applicable tariffs and Paragraph 7.4. This service is large and requires a special investment for
2141 delivery of service and will require a special contract. Extensions of the primary and redundant
2142 25KV electric lines to the central energy plant are collectively referred to as the “**Permanent**
2143 **Electric System Extension**”.
2144
2145

2146 **8. STORMWATER MANAGEMENT & DRAINAGE**
2147

2148 8.1 General. SHS or SHS-Successors shall construct and maintain all storm sewers,
2149 culverts and related drainage and stormwater management structures (at-grade and underground)
2150 required for Development of the Project.
2151

2152 8.2 Maintenance and Ownership. All drainage and stormwater management facilities
2153 shall be owned, operated and maintained by SHS or SHS-Successors. SHS shall record
2154 covenants in a form acceptable to the Town and County that provide, in perpetuity, for the
2155 assessment and collection of fees from owner(s) of the Property to fund the operation and
2156 maintenance of such facilities in accordance with applicable laws. At a minimum the covenants
2157 shall provide for regular and/or special assessments for the maintenance of the drainage and
2158 stormwater management facilities, which such assessments shall not be reduced without the
2159 express written consent of the Town and the County, as to any stormwater management facilities

2160 that flow to Goldsborough Neck Road. The drainage and stormwater management covenants
2161 shall also provide for a right of access to the improvements by the Town (and County to the
2162 extent discharges from any such stormwater management facilities flow to Goldsborough Neck
2163 Road), and, in the absence of proper maintenance or repair, the ability for the Town (or the
2164 County, to the extent discharges from any such stormwater management facilities flow to
2165 Goldsborough Neck Road), to perform or have performed the proper maintenance or repair with
2166 the costs thereof to be assessed against the applicable lots as a lien collectible in the same
2167 manner as ordinary real estate taxes of the Town or County. The covenants established under
2168 this Paragraph 8.2 shall survive termination or expiration of this Agreement.

2169
2170

2171 **9. MISCELLANEOUS AGREEMENTS**

2172

2173 9.1 Easements. SHS (for itself and SHS-Successors), County and Town agree to
2174 grant to each other upon request and at no cost rights-of-way or easements over their respective
2175 properties in the event that such rights-of-way or easements shall be necessary for the
2176 installation, maintenance, replacement and/or removal of infrastructure related to the
2177 Development of the Property, including without limitation, roads, sidewalks, utility lines, and
2178 drainage improvements, provided the use of such easements will not interfere with the owner's
2179 use and enjoyment of the subject property, and except that the Town does not agree to grant
2180 easements over its property for competing utilities or services. If SHS or the County is unable to
2181 obtain off-site easements and rights-of-way as may be necessary for extension of utilities to serve
2182 Section One of the Property, the Town agrees to assist such Party in obtaining such easements
2183 and rights-of-way. If necessary, to the extent the Town has the legal authority, the Town agrees
2184 to institute and process condemnation proceedings to acquire such easements and rights-of-way,
2185 the costs of which shall be paid by the County if required pursuant to Paragraph 7.7.1 or
2186 otherwise by SHS.

2187
2188

2189 **10. ADMINISTRATION OF PERFORMANCE; SUBSEQUENT DEVELOPMENT APPROVALS**

2190

2191 10.1 Third-Party Processing. All parties recognize that the Town has not previously
2192 reviewed construction plans for a new hospital, which is expected to be a large building with
2193 extensive and complex systems. The Town acknowledges that the timely and consistent review
2194 and issuance of permits, resolution of code interpretations and inspection of construction are
2195 critical to cost- and time-efficient Development of the Property. With respect to construction,
2196 modification and/or expansion of a hospital on the Property, the Town may utilize private
2197 engineers and inspectors selected by the Town (or hire additional Town staff) and any other
2198 reasonably available means to expedite the processing of hospital-related applications, permits
2199 and occupancy certificates, including, if appropriate, concurrent processing of such applications
2200 by various Town departments and/or consultants. The Town may use consultants or Town
2201 employees in its discretion, however, such expenses shall be reimbursed by SHS or a SHS-
2202 Successor with respect to the portion of the Property for which such processing applies only if
2203 the Town and SHS or such SHS-Successor executes one or more advance written agreement(s)
2204 regarding the scope and cost of such processing.

2205

2206 10.2 Processing During Third Party Litigation. The filing of any Third Party lawsuit(s)
2207 against the Town, County, SHS, and/or any SHS-Successor relating to this Agreement or to other
2208 Development Approvals or State or federal permits, approvals, Certificate(s) of Need, or other
2209 Development issues affecting all or any portion of the Property, or the filing of any petition for
2210 judicial review or any administrative or judicial appeal regarding any such matter shall not
2211 hinder, delay or stop the Development, processing or construction of the Project, approval of the
2212 Subsequent Development Approvals, or issuance of ministerial permits or approvals, unless: (i)
2213 the Third Party obtains a court order preventing the activity, or (ii) the Town or County is stayed
2214 from taking action in furtherance of an application by operation of statute. If SHS or any SHS-
2215 Successor elects to proceed with Development during the pendency of such litigation, review, or
2216 appeal, it does so at its own risk and agrees to indemnify the Town and County with respect to
2217 claims, losses, or expenses of the Town or County, including the cost of infrastructure provided
2218 by the Town or County, incurred in reliance upon and directly related to such election to proceed
2219 with Development during the pendency of litigation or any such review of appeal, including the
2220 cost to remove any such infrastructure and restore the Property to its previous condition.
2221

2222 10.3 Operating Memoranda. The provisions of this Agreement require a close degree
2223 of cooperation between the Town, County and SHS. During the Term of this Agreement,
2224 clarifications of details or specific procedures of this Agreement and the Development of the
2225 Project may be appropriate with respect to the details of performance of SHS, SHS-Successors,
2226 Town and County. If and when, from time to time, the Town, County and SHS agree that such
2227 clarifications are necessary or appropriate, they shall effectuate such clarification through
2228 operating memoranda approved in writing. Operating memoranda are not intended to and cannot
2229 constitute an amendment to this Agreement, but are mere interpretive or ministerial
2230 clarifications. Public notices and hearings for such non-substantive supplements shall not be
2231 required.
2232

2233 10.4 Certificates of Occupancy. The Town shall not issue a Certificate of Occupancy
2234 for any building on the Property until all improvements necessary to serve such building are
2235 completed or until other arrangements have been made for the completion of the improvements
2236 to the Town's satisfaction. In particular, as to one instance of such application, all street trees,
2237 street lighting and pedestrian pathways required by the Town to be constructed along Maryland
2238 Route 662 shall be installed prior to the Town's issuance of a Use and Occupancy permit for any
2239 building on the Property.
2240

2241 10.5 No Liability for Town or County Review. SHS, on behalf of itself and SHS
2242 Successors, acknowledges and agrees: (i) that neither the Town or County is, and shall not be, in
2243 any way liable for any damages or injuries that may be sustained as the result of the Town's or
2244 County's review and approval of any plans for Development of the Property, or as a result of the
2245 issuance of any approvals, permits, certificates, or acceptances for Development of the Property,
2246 and (ii) that the Town's or County's review and approval of any such plans and issuance of any
2247 such approvals, permits, certificates, or acceptances does not, and shall not, in any way be
2248 deemed to insure SHS, SHS Successors, tenants, licensees, or any third party, against damage or
2249 injury of any kind at any time.
2250

2251 SHS, on behalf of itself and SHS Successors, agrees to, and does hereby, hold harmless and
2252 indemnify the Town and County and all of its elected and appointed officials, employees, agents,
2253 representatives, engineers, and attorneys (collectively, the “**Indemnified Approving Parties**”),
2254 from any and all claims for damages resulting from injuries to persons or property that may be
2255 asserted at any time against any of the Indemnified Approving Parties in connection with (1) the
2256 Town’s or County’s review and approval of any Development plans for the Property, (2) the
2257 Development, construction, and/or maintenance by SHS and/or SHS-Successors of any portion
2258 of the Property, and (3) the maintenance of any improvement of the Property until the same is
2259 accepted by the Town, County, or State. Such indemnification shall include, the payment of all
2260 expenses, including legal fees and administrative expenses, incurred by the Town or County in
2261 defending itself with regard to any and all of the claims mentioned herein. Such indemnification
2262 shall not include, and SHS and SHS-Successors shall not have any obligation to indemnify or
2263 defend the Indemnified Approving Parties, in any appeal or litigation challenging an
2264 administrative, permitting or Development approval action or omission of any of the Indemnified
2265 Approving Parties.
2266
2267

2268 **11. GOOD FAITH COMPLIANCE REVIEW**

2269

2270 11.1 Review of Compliance. In accordance with this Paragraph 11 and until the issuance
2271 of an Occupancy Certificate for an acute care hospital constructed in Section One, once every
2272 two years on or before the anniversary of the Effective Date, the Town may review the extent of
2273 good faith substantial compliance by SHS with the terms and provisions of this Agreement
2274 (“**Periodic Review**”). Town shall notify SHS and County of the scheduled date of each Periodic
2275 Review at least ninety (90) calendar days prior to such date.
2276

2277 11.2 Good Faith Compliance. If the Town initiates Periodic Review, SHS shall
2278 demonstrate by written status report(s) that, during the preceding twenty-four (24) month period,
2279 they have been in good faith compliance with this Agreement. During a Periodic Review
2280 initiated by the Town, SHS may request that the Town generate a similar report detailing its
2281 good faith compliance. For purposes of this Agreement, the phrase “**good faith compliance**”
2282 shall mean that SHS has demonstrated that, with respect to the portion(s) of the Property owned
2283 by it, it has acted in substantial compliance with the material provisions of this Agreement and in
2284 a commercially reasonable manner (taking into account the circumstances which then exist).
2285

2286 11.3 Content of Status Report. The written status report(s) shall be submitted by SHS
2287 to Town and County at least thirty (30) business days prior to the scheduled date of the Periodic
2288 Review. The report(s) shall include, in addition to the information submitted by SHS or
2289 requested by Town, the following:
2290

- 2291 (a) infrastructure installed, by type and location, and the status and timing of
2292 planned and on-going infrastructure projects on or for the Property;
2293
- 2294 (b) the status of financing of public infrastructure for the Project; and
2295
- 2296 (c) proposed dedications of infrastructure offered by SHS.

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11.4 Information to be Provided to SHS and County. The Town shall deliver to SHS and County a copy of all staff reports (if any) prepared in connection with a Periodic Review, any prior staff reports generated during the review period, written comments from the public and, to the extent practical, all related exhibits concerning such Periodic Review at least ten (10) business days prior to the Town’s public proceedings considering a Periodic Review. Upon request by SHS, SHS shall be given a full and adequate opportunity to be heard regarding their performance and the Town’s performance under the Agreement prior to the completion of the Town’s Periodic Review. Following its Periodic Review, the Town shall provide SHS and County with a written determination of SHS’ good faith compliance.

11.5 Failure of Periodic Review. A Party's failure to initiate or complete a Periodic Review of the compliance with the terms and conditions of this Agreement shall not constitute or be asserted by any Party or any Third Party as a breach by any Party of this Agreement, nor shall it affect any Party’s right or be a prerequisite to acting upon any default or breach under this Agreement by another Party.

12. DEFAULT AND REMEDIES

12.1 SHS or SHS-Successor Default. SHS or a SHS-Successor shall be in default under this Agreement upon the happening of one or more of the following events or conditions:

- (a) if a material warranty, representation or statement made or furnished by SHS or a SHS-Successor to the Town and/or County is false or proves to have been false in any material respect when it was made;
- (b) SHS or a SHS-Successor fails to comply in good faith with a material requirement of this Agreement; or
- (c) An express written repudiation, refusal or renunciation of this Agreement, or any material provision thereof, by SHS or a SHS-Successor.

12.2 Town or County Default. The Town or County shall be in default under this Agreement upon the happening of one or more of the following events or conditions:

- (a) if a material warranty, representation or statement made or furnished to SHS or any SHS-Successor by the Town or County is false or proves to have been false in any material respect when it was made;
- (b) the Town or County fails to comply in good faith with a material requirement of this Agreement; or
- (c) an express written repudiation, refusal or renunciation of this Agreement by the Town or County.

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12.3 Event of Default. In the event of a default and subject to extensions of time by mutual consent in writing, the Party or SHS-Successor charging a Party or an SHS-Successor with default shall send written notice to the defaulting person or entity as set forth by Paragraph 12.4. If the defaulting person or entity is an SHS-Successor, a copy of the Notice of Default addressed to the defaulting SHS-Successor shall also be sent to SHS for SHS' information. If the defaulting person or entity is an SHS-Assignee, SHS shall have no obligations or consequences resulting from such default and Town and County shall look solely to such SHS-Assignee for remedies of such default.

If, after written notice:

(a) the defaulting person or entity does not cure such default within thirty (30) days following receipt of the written Notice of Default from the other Party or SHS-Successor, where such failure is of a nature which can be cured within such thirty (30) day period, or

(b) such failure is not of a nature which can be cured within such thirty (30) day period, and the defaulting person or entity does not within such thirty (30) day period commence reasonable efforts to cure such default, or thereafter does not within a reasonable time prosecute and continue the curing of such default to completion with diligence and continuity, then the other Parties to this Agreement may at their option institute legal proceedings pursuant to this Agreement.

12.4 Notice of Default. Every Notice of Default shall be in writing and specify in detail that it is given pursuant to this Paragraph of the Agreement, the nature of the failure(s) in performance which provider of the notice claims constitute(s) the default (including references to the pertinent provisions of this Agreement and applicable Governmental Rules), the portion of the Property involved, the materiality of the alleged default, and the nature of performance requested or the manner in which such failure may be satisfactorily cured in accordance with the Provisions of this Agreement. A Notice of Default shall be given and deemed received as set forth in Paragraph 2.8.

12.5 Default by SHS; Town and County Remedies. In the event SHS is in default under the terms of this Agreement, the Town or County shall have the right to exercise any of the following remedies:

(a) to waive, in their sole and absolute discretion, such default as not material;

(b) to refuse to process an application for, or to grant any permit, approval or other land use entitlement for Development of the portion(s) of the Property directly and physically impacted by the default (e.g., inadequate access, utilities, drainage, stormwater management, etc.), including withholding any Development Approval or permit necessary for the continued Development of such portion(s) of the Property;

(c) to pursue all legal and equitable remedies provided by law;

2389 (d) to delay or suspend Town and/or County performance under this
2390 Agreement with respect to the portion(s) of the Property directly and physically impacted by the
2391 default; and

2392
2393 (e) to cure and charge back costs to SHS in emergencies that , in the good
2394 faith determination of Town or County, pose an immediate danger to the health or safety of
2395 persons or property, with such prior notice to SHS as is appropriate under the circumstances.
2396 Such costs shall be assessed and collectible against the portion of the Property for which SHS is
2397 in default. The Town or County may assert a lien for such costs by filing in the Land Records of
2398 Talbot County a notice of lien which shall describe the property against which the lien is
2399 asserted, the amount of the lien and a statement setting forth the basis of the claim. The Town
2400 or County shall have the right to enforce such a lien in the same manner as if the lien (1) were a
2401 mortgage granting to the Town or County as lender both a power of sale and an assent to a
2402 decree pursuant to MD. ANN. CODE Real Property Article § 7-105 as if the amount of the lien
2403 were the principal amount due under the mortgage and as if the mortgage were in default or (2)
2404 were unpaid real property taxes in arrears pursuant to MD. ANN. CODE Tax Property Article § 14-
2405 808 *et seq.* Any costs incurred pursuant to this provision shall relate back to the date of
2406 recordation of this Agreement among the Land Records of Talbot County, Maryland and shall
2407 have priority over any Mortgage recorded after such date.

2408
2409 (f) The foregoing remedies are cumulative and not alternative or exclusive,
2410 and an election to pursue one remedy does not preclude pursuit of others.

2411
2412 12.6 Default by SHS-Successors; Town and County Remedies. In the event an SHS-
2413 Successor is in default under the terms of this Agreement, the Town or County shall have the
2414 right to exercise any of the following remedies:

2415
2416 (a) to waive, in their sole and absolute discretion, such default as not material;

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2418 (b) to refuse processing of an application for, or the granting of any permit,
2419 approval or other land use entitlement for Development of the portion(s) of the Property directly
2420 and physically impacted by the default (*e.g.*, inadequate access, utilities, drainage, stormwater
2421 management, etc.), including but not limited to the withholding of any Development Approval or
2422 permit necessary for the continued Development of such portion(s) of the Property;

2423
2424 (c) to pursue all legal and equitable remedies provided for by law;

2425
2426 (d) to delay or suspend Town and/or County performance under this
2427 Agreement with respect to the portion(s) of the Property directly and physically impacted by the
2428 default; and

2429
2430 (e) to cure and charge back costs to such defaulting SHS-Successor in
2431 emergencies that , in the good faith determination of Town or County, pose an immediate danger
2432 to the health or safety of persons or property, with such prior notice to the defaulting SHS-
2433 Successor as is appropriate under the circumstances. Such costs shall be assessed and collectible
2434 against the portion of the Property for which the SHS-Successor is in default. The Town or

2435 County may assert a lien for such costs by filing in the Land Records of Talbot County a notice
2436 of lien which shall describe the property against which the lien is asserted, the amount of the lien
2437 and a statement setting forth the basis of the claim. The Town or County shall have the right to
2438 enforce such a lien in the same manner as if the lien (1) were a mortgage granting to the Town or
2439 County as lender both a power of sale and an assent to a decree pursuant to MD. ANN. CODE Real
2440 Property Article § 7-105 as if the amount of the lien were the principal amount due under the
2441 mortgage and as if the mortgage were in default or (2) were unpaid real property taxes in arrears
2442 pursuant to MD. ANN. CODE Tax Property Article § 14-808 *et seq.* Any costs incurred pursuant
2443 to this provision shall relate back to the date of recordation of this Agreement among the Land
2444 Records of Talbot County, Maryland and shall have priority over any Mortgage recorded after
2445 such date.

2446
2447 (f) The foregoing remedies are cumulative and not alternative or exclusive,
2448 and an election to pursue one remedy does not preclude pursuit of others.
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2450 Notwithstanding the provisions of (b) or (d) above, each non-defaulting SHS-Successor: (i) shall
2451 be entitled to continue Development of the Property, (ii) shall continue to enjoy all rights
2452 established hereunder, and (iii) shall have no obligation to cure the default by another SHS-
2453 Successor, unless the portion of the Property owned by such non-defaulting SHS-Successor is
2454 directly and physically impacted by the default, in which event the non-defaulting SHS-
2455 Successor shall be responsible for resolving or addressing solely the impacts of the default that
2456 directly affect such SHS-Successor's portion of the Property.
2457

2458 12.7 Default by Town or County; SHS Remedies. In the event Town or County is in
2459 default under the terms of this Agreement, SHS and SHS-Successors shall have the right to
2460 exercise any of the following remedies:
2461

2462 (a) to waive, in their sole and absolute discretion, such default as not material;
2463

2464 (b) to pursue all legal and equitable remedies provided for by law;
2465

2466 (c) to delay or suspend the performance of SHS and the SHS-Successors
2467 under this Agreement.
2468

2469 (d) The foregoing remedies are cumulative and not alternative or exclusive,
2470 and an election to pursue one remedy does not preclude pursuit of others.
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2473 **13. TERMINATION OR SUSPENSION**

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2475 13.1. Events and Manner of Termination or Suspension. Because of the substantial
2476 reliance of the Town, County, and SHS on the provisions of this Agreement to implement the
2477 Development of the Property, the Town, County, and SHS desire to avoid termination or
2478 suspension of this Agreement when other appropriate remedies or procedures to resolve disputes
2479 or problems exist. Prior to termination or suspension, the Town, County, and SHS will meet and
2480 confer with the objective of attempting to arrive at a mutually acceptable alternative to

2481 termination or suspension, which substantially advances the objectives of all Parties in entering
2482 into this Agreement. Accordingly, this Agreement may be terminated or suspended by a Party
2483 only under any one or more of the following circumstances:

- 2484 (a) by operation of Paragraph 2.5 (Expiration of Term);
- 2485 (b) by operation of Paragraph 13.2 (Individual Lots);
- 2486 (c) by operation of Paragraph 18.3 (Severability) with respect to particular
2487 term(s) or provision(s) hereof;
- 2488 (d) entry of a final, non-appealable judgment setting aside, voiding, annulling
2489 or otherwise invalidating this Agreement in its entirety;
- 2490 (e) upon mutual, written agreement by all Parties hereto; or
- 2491 (f) if the Town or County determines that suspension or termination of the
2492 Agreement is essential to ensure the public health, safety, or welfare, the Town or County may
2493 suspend or terminate the Agreement after a public hearing.

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2501 Except in the event of terminations under (a) or (d) above, the use limitations of Paragraph 4.7
2502 shall survive termination of this Agreement and bind the Property and all portion(s) thereof for
2503 the duration of the Term.

2504
2505 13.2 Termination with Respect to Individual Lots of Record. Notwithstanding any
2506 other provisions of this Agreement, this Agreement may be terminated with respect to one or
2507 more individual lots of record upon written request of the owner of such lot(s). Such termination
2508 shall be effective only through the recordation of a Statement of Termination executed by the
2509 requesting owner, any individual or entity holding a lien or security interest in such lot(s), SHS,
2510 Town and County. Consent to the termination shall not be unreasonably withheld provided that:
2511 (i) the lot(s) for which termination is proposed are then in compliance with this Agreement, (ii)
2512 any payments or contributions due from or with respect to such lot(s) have been paid, and (iii) all
2513 infrastructure improvements necessary to support said lot(s) have been constructed and are
2514 operating with Town or County approval, as appropriate. The Statement of Termination shall be
2515 effective upon its recordation in the County Land Records.

2516
2517 13.3 Effect of Termination on SHS Rights and Obligations. Termination of this
2518 Agreement shall not affect the obligation of SHS and SHS-Successors to comply with the terms
2519 and conditions of the applicable Town or County law and Development Approvals, nor shall it
2520 affect any other provisions of this Agreement that, by express language, survive termination
2521 hereof. Termination of this Agreement shall not affect or terminate any Development Approvals
2522 for the Property, nor shall it affect or terminate rights in which SHS or SHS-Successors have
2523 vested under the common law of the State.

2524
2525 13.4 Effects of Termination on Town and County. Upon any termination of this
2526 Agreement as to SHS, SHS-Successors or the Property, or any portion thereof, the approvals,

2527 entitlements, conditions of Development, limitations on fees and all other terms and conditions
2528 of this Agreement shall no longer be vested hereby with respect to the portion of the Property
2529 affected by such termination (although vesting of such approvals, entitlements, conditions or fees
2530 may, by then, otherwise be vested for such portions of the Property pursuant to applicable law),
2531 and Town and County shall no longer be limited by this Agreement.
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2534 **14. EXCUSABLE DELAY; EXTENSION OF TIME FOR PERFORMANCE**
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2536 In addition to the specific provisions of this Agreement, performance by any Party or SHS-
2537 Assignee of its obligations hereunder, other than payment of fees and other monetary
2538 assessments, shall be excused and shall not be deemed to be in default during any period of
2539 “Excusable Delay”, as hereinafter defined, provided that the Party or SHS- Assignee claiming
2540 the delay gives notice of the delay to the other Parties within sixty (60) days after the
2541 commencement of the delay or as soon as reasonably possible after the same has been
2542 ascertained. For purposes hereof, “**Excusable Delay**” shall mean delay that directly affects, and
2543 is beyond the reasonable control of, the Party or SHS-Assignee claiming the delay, and persists
2544 for more than thirty (30) days including delays or defaults due to:

- 2545 (a) Acts of God;
- 2546 (b) civil commotion;
- 2547 (c) war, acts of terrorism, or similar hostilities;
- 2548 (d) riot;
- 2549 (e) strike, walkout, picketing or other labor dispute (including the Party’s
2550 employment force);
- 2551 (f) damage to work in progress by reason of fire, flood, storm, earthquake or
2552 other casualty;
- 2553 (g) lack of adequate utility capacity for the Property to the extent it impacts a
2554 Party’s or SHS-Assignee’s ability to perform;
- 2555 (h) inability after documented reasonable efforts to secure necessary labor,
2556 materials, tools, or delays of any contractor, subcontractor or supplier;
- 2557 (i) failure by governmental entities other than Town or County, their
2558 departments, agencies, boards and commissions to complete a review, issue an approval or
2559 perform another act or deed necessary for the performance of this Agreement in a manner and
2560 timeframe consistent with such governmental entities’ typical procedures and practices, provided
2561 that a complete application or request for such action has been timely submitted;
- 2562 (j) court orders or actions (such as restraining orders or injunctions);

2573
2574 (k) litigation, including claims contesting the validity, or seeking the
2575 enforcement or clarification of this Agreement, a Development Approval, or any other
2576 governmental action necessary for development of the Property, whether instituted by SHS,
2577 SHS-Successors, Town, County or any other person or entity, except that if SHS or any SHS-
2578 Assignee elects to proceed with Development during the pendency of litigation pursuant to
2579 Paragraph 10.2, the period of litigation shall not constitute an Excusable Delay;

2580
2581 (l) inability to obtain and consummate necessary financing, or delays of any
2582 lender or third party relating thereto provided, however, that the total delay based upon this
2583 Paragraph shall not be excused beyond an aggregate of five years. Each time SHS or a SHS-
2584 Assignee intends to rely upon this provision, it shall give Town and County written notice of
2585 such intention setting forth the date on which such claim of Excusable Delay began and the basis
2586 for such claim. SHS or the SHS-Assignee shall give written notice to the Town and County of
2587 the end of each period of such Excusable Delay;

2588
2589 (m) any default by any other Party or SHS-Successor hereunder; or

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2591 (n) the presence or remediation of currently unknown hazardous materials.

2592
2593 During any period of excusable delay or non-performance by SHS or an SHS-Assignee, the
2594 Town or County may, in its discretion, suspend any further consideration of pending
2595 Development Approvals applicable to the portion of the Property owned by the person or entity
2596 claiming the Excusable Delay and/or directly and physically affected by the Excusable Delay,
2597 and the Town or County shall not be in default of its obligations. The Parties agree that
2598 performance of this Agreement is intended to be mutual and reciprocal.

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2601 **15. MORTGAGEE PROTECTION; CERTAIN RIGHTS OF CURE**

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2603 15.1 Mortgages Not Prohibited. The Town and County acknowledge that the lenders
2604 providing Mortgages or other financing secured in any form by a portion of the Property may
2605 require certain interpretations of this Agreement and agree upon request, from time to time, to
2606 meet with SHS or SHS-Assignees and representatives of such lenders to discuss in good faith
2607 any such request for interpretation. The Town and County will not unreasonably withhold their
2608 consent to any such requested interpretation, provided such interpretation is consistent with the
2609 intent and purposes of this Agreement, and is consistent with the public health, safety, and
2610 welfare. Subject to the foregoing, any Mortgagee, including without limitation the purchaser at a
2611 judicial or non-judicial foreclosure sale or a person or entity who obtains title by deed-in-lieu of
2612 foreclosure on the Property, shall be entitled to the rights and privileges in this Section 15.

2613
2614 15.2 Mortgagee Protection. Subject to the subordination provisions set forth above,
2615 neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid,
2616 diminish or impair the lien of any Mortgage on the Property made in good faith, without notice,
2617 and for value. No Mortgagee shall have an obligation or duty under this Agreement to perform

2618 obligations of SHS or SHS-Assignees, or to guarantee such performance, prior to taking title to
2619 all or a portion of the Property.

2620
2621 15.3 Request for Notice to Mortgagee. The Mortgagee of any Mortgage encumbering
2622 any portion of the Property that is in default shall be entitled to receive from the Town and
2623 County a copy of any Notice of Default delivered to SHS or the SHS-Assignee, provided that the
2624 Mortgagee has submitted a request in writing to Town and/or County in the manner specified
2625 herein for giving notices and the notice makes specific reference to this Paragraph. If Town or
2626 County receives such a request from a Mortgagee, Town or County shall provide such
2627 Mortgagee a copy of any Notice of Default concurrently with the Notice to SHS or the SHS-
2628 Assignee, but any failure to so notify Mortgagee shall not affect the default.

2629
2630 15.4 Mortgagee's Time to Cure. The Mortgagee shall have the right, but not the
2631 obligation, to cure in accordance with all applicable cure provisions herein. However, with
2632 respect to portion(s) of the Property owned by SHS and subject to the provisions of Paragraph
2633 12.6(e), if the default is a default that can only be cured by the Mortgagee obtaining possession
2634 of such portion of the Property and the Mortgagee promptly seeks and diligently proceeds to
2635 obtain possession by all legal means, the Mortgagee shall have ninety (90) days after the date the
2636 Mortgagee obtains possession to cure the default.

2637
2638 15.5 Mortgagee or Successor Rights. Any Mortgagee or transferee who takes title to
2639 all or any portion(s) of the Property pursuant to foreclosure of the Mortgage, or a deed in lieu of
2640 foreclosure, shall succeed to the rights and obligations of SHS or the SHS-Assignee under this
2641 Agreement as to the portion of the Property so acquired; provided, however, in no event shall
2642 such Mortgagee be separately liable for any defaults or monetary obligations of SHS or the SHS-
2643 Assignee apart from the Property arising prior to acquisition of title to such portion of the
2644 Property by such Mortgagee, except as to public liens of record. A Mortgagee or its successors
2645 shall not be entitled to a Development Approval until all delinquent and current fees and other
2646 monetary or nonmonetary obligations due under this Agreement for such portion of the Property
2647 acquired by or through such Mortgagee have been satisfied.

2648
2649 15.6 Mortgagee's Right to Interpretation. Prior to coming into possession of any
2650 portion of the Property, any Mortgagee who has submitted a request in writing to Town and/or
2651 County in accordance with Paragraph 15.3 may request a written interpretation of this
2652 Agreement. The request shall be submitted to Town and/or County, with a copy to SHS, in
2653 writing in the manner specified herein for giving notices, shall identify the specific Paragraph(s)
2654 of the Agreement for which an interpretation is requested, and shall specify all material facts
2655 regarding the inquiry including the reasons why an interpretation is requested. The Town and/or
2656 County shall discuss the interpretation with SHS and give its interpretation to Mortgagee within
2657 forty-five (45) days after receipt of the request, provided that the Mortgagee shall pay the Town
2658 and County for reasonable costs including attorneys' fees incurred in responding to the
2659 Mortgagee's request. The interpretation shall be limited to its terms, assumptions and conditions
2660 and shall not be applicable to undisclosed terms, assumptions or conditions.

2661
2662 15.7 Public Expenses and Liens for Taxes, Fees, Utilities, etc. Nothing contained in
2663 this Agreement shall insulate the Property or any portion thereof from public or judicial sale for

2664 failure to pay any taxes, fees, expenses, utility charges, or related public liens and expenses, or
2665 judgments.

2666
2667 15.8 Conveyance of Property to the Town and/or County. Notwithstanding anything
2668 contained herein, any conveyance of a portion of the Property to the Town and/or County shall
2669 be free of liens, mortgages, deeds of trust, and any other encumbrance relating to monetary
2670 obligations of SHS or the applicable SHS-Assignees.

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2673 **16. ESTOPPEL CERTIFICATES**

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2675 Any Party or an SHS-Successor (“Requestor”) may at any time, and from time to time,
2676 deliver a written request to any other Party requesting that the other certify in writing
2677 (substantially in the form of the Estoppel Certificate attached as Exhibit R) that, to the
2678 knowledge of the certifying Party: (i) this Agreement is in full force and effect and is a binding
2679 obligation of the Parties, (ii) this Agreement has not been amended or, if amended, identifying
2680 each amendment, (iii) the Requestor is not in breach or default of this Agreement or, if in breach
2681 or default, the nature and extent of each breach or default, and (iv) the accuracy of such other
2682 matters reasonably included in the request.

2683
2684 The Party or SHS-Successor receiving a request hereunder shall execute and return the
2685 certificate within thirty (30) days following receipt of the request. Unless the Party or SHS-
2686 Successor receiving the request provides a written explanation for its refusal or inability to issue
2687 such certificate within the 30-day period, the failure to deliver such a certificate within such
2688 period shall constitute a conclusive presumption that, except as may be represented by the
2689 requesting Party or SHS-Successor, this Agreement is in full force and effect without amendment
2690 and there are no breaches or uncured defaults in the performance of the Requestor. The Town
2691 and County acknowledge and agree that any certificate issued hereunder by Town or County
2692 may be relied upon by SHS, any SHS-Successors and Mortgagees.

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2695 **17. CONFLICTS OF LAW**

2696
2697 17.1 Conflict with State or Federal Laws or Action of Other Governmental Body or
2698 Agency. In the event that any State, federal or other applicable law or regulation enacted after
2699 the Effective Date, or any governmental action, other than an action by Town or County, taken
2700 after the Effective Date, materially prevents or precludes compliance with one or more of the
2701 provisions of this Agreement , such affected provisions shall be modified or suspended by the
2702 Parties as may be necessary to comply with such State or federal law or regulation or non-
2703 Town/County governmental action; provided, however, that this Agreement shall remain in full
2704 force and effect to the extent it is not inconsistent with such laws, regulations or non-
2705 Town/County governmental action. To the extent such laws, regulations or non-Town/County
2706 governmental action do not render such remaining provisions impractical to enforce, the Town
2707 and County also agree to process changes to the Development proposed by SHS and SHS-
2708 Successors as may be necessary to comply with such State or federal or other applicable law, so
2709 long as those changes are generally consistent with this Agreement.

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17.2 Notice. No Party or SHS-Successor shall claim that a conflict, as described in Paragraph 17.1, exists, unless that Party or SHS-Successor has given the other Parties at least thirty (30) days written notice of the conflict. The notice shall identify the law, regulation or non-Town/County governmental action, the date the law or regulation was enacted or the date the non-Town/County governmental action was taken, the manner in which the law, regulation or non-Town/County governmental action conflicts with one or more provisions of this Agreement and the nature and extent of the impact of such governmental action. Nothing in this Paragraph 17.2 shall supersede or nullify the operation and effect of any State, federal or other applicable law or regulation, or other governmental action referred to in Paragraph 17.1, which shall remain applicable according to its terms.

17.3 Modification Conference. Within fifteen (15) days after notice is given as provided in Paragraph 17.2, SHS, any SHS-Successor who owns a portion of the Property subject to the proposed modification, Town and County shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such law, regulation or non-Town/County governmental action. In such negotiations, Town, County and SHS agree to preserve the terms of this Agreement and the rights of Parties as derived from this Agreement to the maximum feasible extent while resolving the conflict. SHS, SHS-Successors, Town, and County shall cooperate with each other in resolving the conflict in a manner that reasonably minimizes financial impacts of the conflict upon SHS, SHS-Successors, Town and County.

17.4 Town/County Council Consideration. Within thirty (30) business days after the modification conference, regardless of whether the Parties reach an agreement on the effect of such law or regulation upon this Agreement, the matter shall be scheduled for hearing(s) before the Town and County. Notice of such hearing(s) shall be given pursuant to the Development Agreement Statute, Town Enabling Law and County Enabling Law. The Town and County, at such hearing(s), shall consider the exact modification or suspension that shall be necessitated by such law, regulation or non-Town/County governmental action. SHS and SHS-Successors shall have the right to offer testimony at the hearing. No modification or suspension of this Agreement shall be effective unless approved by the Town, County, and SHS.

17.5 Cooperation in Securing Permits or Approvals. Provided that SHS, Town and County agree to a modification or suspension of this Agreement pursuant to Paragraph 17.3, the Town and County shall cooperate with SHS in good faith and use reasonable efforts to assist SHS in the timely securing of any permits or approvals which may be required as a result of such modifications to, or suspensions of, all or any part of this Agreement.

17.6 Challenge Regarding New Law or Regulation. SHS, SHS-Successors, Town and/or County shall have the right to challenge by appropriate judicial proceedings any such new law, regulation or non-Town/non-County governmental action preventing compliance with the terms of this Agreement. In the event that such challenge is successful, this Agreement shall remain unmodified and in full force and effect.

18. MISCELLANEOUS PROVISIONS

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18.1 Recordation of Agreement. This Agreement shall be recorded in the County Land Records within twenty (20) days of the last date of execution of this Agreement at SHS’ expense.

18.2 Entire Agreement; Incorporation by Reference. This Agreement constitutes the entire understanding between the Parties with respect to the transactions contemplated by this Agreement, and all prior oral or written understandings, representations and statements are merged into this Agreement except the Annexation Agreement and SHS Options. All exhibits and other document attached to this Agreement are incorporated herein by reference for the purposes set forth herein.

18.3 Severability. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a specific situation, is found to be invalid, void, or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect.

18.4 Governing Law. This Agreement and the actions of the parties hereunder shall in all respects be governed by and construed in accordance with the laws of the State of Maryland.

18.5 Cross-Reference; Headings. When a reference is made in this Agreement to an article, section, paragraph, clause, schedule or exhibit, such reference shall be deemed to be to this Agreement unless otherwise indicated. The headings and captions used in this Agreement are for convenience and ease of reference only and shall not be used to interpret, expand or limit the terms of this Agreement.

18.6 Rules of Construction and Interpretation. Any term used in an exhibit hereto shall have the meaning as in this Agreement unless otherwise defined in such exhibit. The singular includes the plural; the masculine gender includes the feminine; “shall” is mandatory; “may” is permissive. “Herein”, “hereby”, “hereunder”, “hereof”, “hereinbefore”, “hereinafter” and other equivalent words refer to this Agreement and not solely to the particular portion thereof in which any such word is used. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”.

18.7 No Party Deemed Drafter. The final language of this Agreement is the result of extensive negotiations. Each Party has thoroughly reviewed this Agreement and has had the advice of counsel prior to execution hereof, and no Party shall be deemed to be the drafter of the Agreement for purposes of judicial construction.

18.8 Business Days. If any date or any period provided in this Agreement ends on a Saturday, Sunday or legal holiday, the applicable period for calculating the date or period shall be extended to the first business day following such Saturday, Sunday or legal holiday.

18.9 Waivers. Any failure by a Party hereto to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such Party will have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. All waivers of the

2802 provisions of this Agreement must be in writing and signed by the appropriate officers of Town,
2803 County, SHS or SHS-Successor(s), as the case may be, as set forth by Paragraph 2.7. Any such
2804 written waiver of a breach or default under this Agreement shall not constitute a continuing
2805 waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.
2806

2807 18.10 Reservation of Rights. To the extent not inconsistent with this Agreement, each
2808 Party reserves all rights, privileges and immunities under applicable laws.
2809

2810 18.11 No Third-Party Beneficiaries. This Agreement is made and entered into for the
2811 sole protection and benefit of the Parties and their successors-in-interest. No other person shall
2812 have any right of action based upon any provision of this Agreement. Nothing in this
2813 Agreement, nor any act of any Party arising under this Agreement, shall be deemed or construed
2814 by any Party, or by unrelated or Third Parties, to create any third-party rights, except as provided
2815 by any written assignment of rights or interests consistent with this Agreement.
2816

2817 18.12 Litigation; Attorneys' Fees and Consulting Fees.
2818

2819 (a) SHS or any SHS-Successor who makes any request to the Town and/or
2820 County for modification, change, review, or any other consideration or reconsideration of this
2821 Agreement, shall reimburse the Town and/or County, as applicable, for its or their attorneys' fees
2822 and costs and other professional or consulting fees (including, for example, engineering fees),
2823 arising as a result of the request.
2824

2825 (b) *Third Party Litigation – General.* In the event of any litigation or appeal
2826 by a Third Party related to this Agreement, the Town, County, SHS and any SHS-Successor who
2827 owns portion(s) of the Property subject to the litigation, shall confer at the earliest reasonable
2828 opportunity to discuss the nature and level of Town and County involvement in such litigation
2829 and the contribution(s) (i.e., substantive participation, reimbursement of fees, etc.), if any, by the
2830 parties in interest to Town and/or County.
2831

2832 (c) *Third Party Litigation - Section One.* In the event of any litigation or
2833 other legal proceedings initiated by a Third Party against the Town and/or County related to the
2834 application or interpretation of this Agreement with respect to the first phase of Development
2835 within Section One, SHS and any SHS-Assignee with respect to a portion of Section One shall
2836 join in, participate and defend this Agreement, in conjunction with the Town and/or County,
2837 against such Third Party action. Notwithstanding the foregoing, SHS and SHS-Assignees shall
2838 have no obligation to indemnify or reimburse the Town or County for such litigation, nor shall
2839 SHS or SHS-Assignees have any obligation to join in, participate or defend this Agreement in
2840 the event of any claims arising from Town's or County's willful misconduct.
2841

2842 (d) *Litigation Between Original Parties.* In the event of any litigation or other
2843 legal proceedings between some or all of the original Parties (including any subsidiaries or
2844 affiliates of SHS, but not any unrelated SHS-Successors) for the enforcement, declaration, or
2845 challenge of any right or obligation pursuant to, or as a result of any alleged breach of, this
2846 Agreement each Party shall be responsible for its own fees and costs, including attorney's fees,
2847 costs and expenses and litigation expenses.

2848
2849 (e) *Litigation by SHS-Successors.* If the Town and/or County prevail in
2850 litigation or other legal proceedings between the Town and/or County and any SHS-Successor(s)
2851 for the enforcement, declaration, or challenge of any right or obligation pursuant to, or as a result
2852 of any alleged breach of, this Agreement, such SHS-Successor(s) shall reimburse the prevailing
2853 Town and/or County for all fees and costs incurred, including attorney’s fees, costs and expenses
2854 and litigation expenses. Any judgment, order or decree rendered in such proceeding shall
2855 include an award thereof. “Attorneys’ fees” under the foregoing sentence shall include
2856 attorneys’ fees on any appeal and any post-judgment proceedings to collect or enforce the
2857 judgment. A determination of whether the Town or County “prevail” shall be made by the court
2858 hearing such matter. This provision is separate and several and shall survive the merger of this
2859 Agreement into any judgment on this Agreement. Notwithstanding any provision hereof, in no
2860 event shall a Third Party or any SHS-Successor be entitled to payment or reimbursement of any
2861 attorneys’ fees, expenses or costs.

2862
2863 18.13 Counterparts. This Agreement may be executed by the Parties in counterparts,
2864 which counterparts shall be construed together and have the same effect as if all of the parties
2865 had executed the same instrument.

2866
2867 18.14 Project as a Private Undertaking. It is understood and agreed by and between the
2868 Parties that: (a) the Project is a private development; (b) no Party is acting as the agent of the
2869 other in any respect hereunder; (c) each Party and any SHS-Successor is an independent
2870 contracting entity with respect to the provisions of this Agreement; (d) Town has no interest in or
2871 responsibilities for any improvements to the Property unless and until Town accepts the
2872 improvements pursuant to the provisions of this Agreement or in connection with any
2873 subdivision approvals; and (e) upon settlement on the Property, SHS and SHS-Successors shall
2874 have the full power and exclusive control over the Property subject to applicable laws and
2875 regulations and the obligations of SHS and SHS-Successors set forth in this Agreement. No
2876 partnership, joint venture or other association of any kind is formed by this Agreement.

2877
2878 18.15 Further Actions and Instruments. Each of the Parties and SHS-Successors shall
2879 cooperate with and provide reasonable assistance to the others to the extent contemplated
2880 hereunder in the performance of all obligations and the satisfaction of all conditions of this
2881 Agreement. Upon the request of any Party or an SHS-Successor at any time, the other Parties
2882 and SHS-Successors shall promptly execute and file or record such instruments and other
2883 writings, and take such other actions as may be reasonably necessary to carry out the intent or
2884 fulfill the provisions of this Agreement, provided that such instruments or writings do not
2885 constitute amendments to this Agreement. Without in any manner limiting the specific rights
2886 and obligations set forth in this Agreement, the Parties hereby declare (and SHS makes such
2887 declaration for its SHS-Successors) their intention to cooperate with each other in effecting the
2888 terms of this Agreement.

2889
2890 18.16 Covenant of Good Faith and Fair Dealing. No Party or SHS-Successor shall do
2891 anything that shall have the effect of harming or injuring the right of another Party or SHS-
2892 Successor to receive the benefits of this Agreement. Each Party and SHS-Successor shall refrain

2893 from doing anything that would render its performance under this Agreement impossible or
2894 impracticable.

2895
2896 18.17 Description of Required Permits. Development Approvals and permits already
2897 approved or anticipated to be required for development of the Property are identified by Exhibit
2898 E, however such list is not intended to be complete or limiting.

2899
2900 18.18 No Obligation to Develop. It is understood that Development of the Property by
2901 SHS and SHS-Successors is contingent upon a number of factors including, but not limited to,
2902 healthcare regulatory approvals, availability and cost of financing, demand for medical services,
2903 and the general economic climate of the area. If the Property is Developed, the initial phase of
2904 Development shall include an acute care hospital as described by Recital I. Nevertheless,
2905 nothing herein shall be construed as requiring SHS or SHS-Successors to Develop all or any
2906 portion of the Property with any particular use, or at all, and no election by SHS or SHS-
2907 Successors to terminate, defer, suspend or modify plans to develop the Property shall be deemed
2908 a default of SHS or SHS-Successors under this Agreement.

2909
2910 18.19 Not a Public Dedication. Except as otherwise expressly provided, no provision
2911 herein shall be deemed to be a gift or dedication of the Property or any portion thereof to the
2912 general public, for the general public, or for any public use or purpose whatsoever, it being the
2913 intention and understanding of the parties that this Agreement be strictly limited to and for the
2914 purposes herein expressed for Development of the Property as private property.

2915
2916 18.20 Incorporation in Subsequent Deeds. Reference to this Agreement shall be
2917 included in any deed for all or portion(s) of the Property during the Term hereof, but failure to
2918 include such reference shall not impact the effectiveness of this Agreement.

2919
2920
2921 **19. SIGNATURES**

2922
2923 IN WITNESS WHEREOF, the Town, County and SHS have executed this Agreement under
2924 seal on the dates set forth below.

2925
2926 WITNESS:

TOWN OF EASTON

2927
2928 _____
2929 Kathy Ruf, Town Clerk

By: _____(SEAL)
Robert C. Willey, Mayor

2930
2931
2932 _____
2933 Approved as to form and legal sufficiency
2934 by Sharon VanEmburch, Esq., Town Attorney

2935
2936 STATE OF MARYLAND, COUNTY OF _____, TO WIT:

2937

2938 I HEREBY CERTIFY, that on this ____ day of _____, 2013, before me, a
2939 Notary Public of the State aforesaid, personally appeared ROBERT C. WILLEY, who
2940 acknowledged himself to be the Mayor of the Town of Easton, a Maryland municipal
2941 corporation, known to me (or satisfactorily proven) to be the person whose name is subscribed to
2942 the within Agreement, and acknowledged that he executed the same for the purposes therein
2943 contained as the fully authorized agent of said Town of Easton.

2944
2945 WITNESS my hand and Notarial Seal.

2946
2947 _____
2948 My Commission expires: _____ Notary Public
2949

2950
2951 TALBOT COUNTY, MARYLAND

2952
2953
2954 _____ By: _____(SEAL)
2955 John C. Craig, County Manager Dirck K. Bartlett, President
2956 Talbot County Council
2957

2958 _____
2959 Approved as to form and legal sufficiency
2960 by Michael Pullen, Esq., County Attorney
2961

2962
2963 STATE OF MARYLAND, COUNTY OF _____, TO WIT:

2964
2965 I HEREBY CERTIFY, that on this ____ day of _____, 2013, before me, a
2966 Notary Public of the State aforesaid, personally appeared DIRCK K. BARTLETT, who
2967 acknowledged himself to be the President of the County Council of Talbot County, Maryland, a
2968 Maryland charter county, known to me (or satisfactorily proven) to be the person whose name is
2969 subscribed to the within Agreement, and acknowledged that he executed the same for the
2970 purposes therein contained as the fully authorized agent of said Talbot County, Maryland.

2971
2972 WITNESS my hand and Notarial Seal.

2973
2974 _____
2975 My Commission expires: _____ Notary Public
2976

2977
2978
2979 SHORE HEALTH SYSTEM, INC.

2980
2981
2982 _____ By: _____(SEAL)
2983 Kenneth D. Kozel, President and CEO

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STATE OF MARYLAND, COUNTY OF _____, TO WIT:

I HEREBY CERTIFY, that on this ____ day of _____, 2013, before me, a Notary Public of the aforesaid State, personally appeared KENNETH D. KOZEL, President and CEO of Shore Health System, Inc., who was known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Agreement, and acknowledged that he executed the same for the purposes therein contained as the fully authorized agent of said Shore Health System, Inc.

WITNESS my hand and Notarial Seal.

My Commission expires: _____

Notary Public