

ANNEXATION AGREEMENT

THIS AGREEMENT, made this 10th day of November, 2022, by and between The Town of New Market, a municipal corporation, (the "Town"), Ryan Trust Development, LLC ("Ryan") and DR Acquisitions LLC ("DR") ("Contract Purchasers"), England Woods, LLC ("Developer"), Turnpike Farm Limited Partnership ("Turnpike") and Eng-Land Acres, LLC ("Eng-Land" and together with Turnpike, the "Owner" or "Owners") (Collectively herein, Turnpike and Eng-Land are referred to as the "Petitioners").

RECITALS :

WHEREAS, the Petitioners desire to annex certain property of the Owners adjacent to the Town as described in Annexation Resolution No. 2022-02 introduced on July 14, 2022 (the "Annexation Resolution", attached hereto and incorporated herein), comprising 93.739 acres, more or less, (the "Property"); and

WHEREAS, Petitioners petitioned for annexation, and Petitioners, the Developer and Town have discussed and agreed upon particular matters related to the annexation including, but **not** limited to, contributions for road improvements and road maintenance;

WHEREAS the parties have agreed to establish conditions and limitations on the use and density of the Property in accordance with Md. Code Ann., Land Use Article, § 4-103; and

WHEREAS, the parties desire to memorialize their understanding in this Agreement;

NOW THEREFORE, the parties, intending to be legally bound, under seal, agree as follows:

1. Recitals. The recitals set forth hereinabove are incorporated herein and made part of this Agreement by reference.

2. Effective Date. The effective date of this Agreement shall be the effective date of annexation of the Property.

3. Uses and Densities. In accordance with Md. Code Ann., Land Use Article, §4-103(b), the parties agree that the uses of the Property, upon and after the effective date of the Annexation Resolution, shall be limited to those uses and densities which may be

permitted in enacting a Planned Development District ("PDD") floating zone which the parties at this time anticipate could include approximately but in no event exceeding the lesser of 6 dwelling units per gross acre or 550 dwelling units, (in general accordance with the attached land use plan (**Exhibit A**) with respect to product types and unit mix), subject to reasonable conditions as may be established in this Annexation Agreement and further subject to compliance with the applicable requirements set forth in the Land Development Ordinance of the Town in effect as of the Effective Date of this Agreement, together with such conditions of approval as may be established by the Planning Commission of the Town in PDD, subdivision and site plan proceedings. The parties acknowledge that the limitation on density of development to the lesser of 6 dwelling units per gross acre or 550 dwelling units (in general accordance with the attached land use plan (Exhibit A) with respect to product types and unit mix) is a material term of this Agreement.

4. Architectural Review. The Parties acknowledge that the Property is subject to the provisions of Article IV, §14.2 of the Land Development Ordinance of the Town relating to architectural review. Contract Purchasers and Developer will comply with all Architectural review requirements and associated determinations of the Architectural Review Commission.

5. Zoning. On the Effective Date, the Property shall be zoned as follows: (a) the portion of the Property designated EDF on the 2016 Planned Use Map (Map #11) of the Master Plan shall be and hereby is zoned by the Town, simultaneously at the time of annexation, to the EDF, Economic Development Flex zoning classification; and (b) the portion of the Property designated LDR on the 2016 Planned Use Map (Map #11) of the Master Plan shall be zoned by the Town, simultaneously at the time of annexation, to the R-1, Low Density Residential zoning classification.

As discussed above, Contract Purchasers, Developer or their successors or assigns, intend to request the establishment of a Planned Development District (PDD) on the Property and a maximum density of the lesser of 6 dwelling units per gross acre or 550 dwelling units (in general accordance with the attached land use plan (Exhibit A) with respect to product types and unit mix). In accordance with Md. Code Ann., Land Use Article §4-103, the parties agree that the uses of land which shall be permitted with respect to the Property are restricted by this Agreement to those permitted within the EDF and R-1 Districts and to the establishment of a PDD floating zone and the residential uses permitted thereunder,

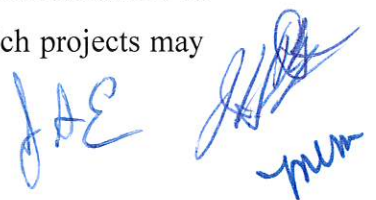
once approved, and that the density and other characteristics of such development shall be subject to the final approval of the Planning Commission and the Mayor and Town Council of the Town.

6. Age-Restricted Community; Road Contributions. (a) Contract Purchasers and Developer, their successors and assigns, agree that, except as otherwise provided in this paragraph 6, any residential component of the Property shall be for age-restricted (> 55 years old) uses and dwellings only, meeting or exceeding the criteria established in 42 U.S.C. §3607 (Fair Housing) relating to housing for older persons, together with the applicable rules, regulations, judicial and administrative interpretation thereof, and that, for purposes of clarification and enforcement, these age-restricted housing restrictions satisfactory to the Town shall be included in appropriate covenants and restrictions applicable to the Property prohibiting occupancy of the age-restricted dwellings by persons under the age of 18 years to the extent permitted by applicable law, which covenants and restrictions shall apply to the age-restricted housing and be recorded among the Frederick County Land Records.

(b) Contract Purchasers and Developer, and their successors and assigns, further agree that there will be an affordable housing component comprised of a minimum of 69 units approved for construction on the Property (the "Affordable Housing Component"). No more than 150 or 27% of the total number of constructed units (whichever is less) may be designated for affordable housing in the PDD rezoning and approval process. All affordable Housing Units shall be located within the area delineated on Exhibit A as "150 Potential Affordable Multifamily Units". In order to fulfill this affordable housing component, Developer intends to construct the aforesaid affordable housing utilizing Maryland CDA tax credits. The Town acknowledges that Developer, in order to avail itself of the Maryland CDA Tax Credits, may be required to adhere to certain underwriting conditions imposed by the State of Maryland, which may include, but not be limited to, the removal of age restrictions on up to thirty percent (30%) of the total number of affordable housing units approved. In such an event, Contract Purchasers and Developer, their successors and assigns, represent and agree that they will address any changes to traffic and school contributions at the time of Developer's first submission of a proposed site plan, subdivision plat or other development plan relating to its affordable housing component in a manner satisfactory to the Town, which may include appropriate payments or other

agreed mitigation as determined by the Town. Without amending this Agreement, the Town may grant consent for the removal of age restrictions on up to thirty percent (30%) of the of the total number of affordable housing units proposed to be constructed, in furtherance of the purposes and objectives of this Agreement, conditioned upon satisfactory mitigation by the Contract Purchasers and Developer, and their successors and assigns, of the impact, if any, of the removal of such restrictions on school and/or road adequacy, as determined in the absolute, sole subjective discretion of the Town. Developer and Contract Purchaser, their successors and assigns, make said commitments based on their assumption and expectation that the Town zoning and PDD development approvals contemplated will be enacted and will permit a combination of: (i) affordable senior housing multi-family dwelling units; (ii) age-restricted villa-style dwelling units; and (iii) single-family dwelling unit product types typical of age-restricted housing (with setbacks and other design standards to be set and refined at the preliminary plan stage of development, subject to all required review and approval by the Town and its Planning Commission). Developer, Owner and Contract Purchaser, and their successors and assigns agree that the restrictions established in this paragraph 6 shall be stated in the deeds conveying all or a portion of the Property to which the restrictions are applicable, in form satisfactory to and approved by the Town, and duly recorded among the Frederick County Land Records.

(c) Developer has submitted, and the Town has reviewed the Developer's Traffic Impact Study revised February 11, 2022 (the "TIS"). Contract Purchasers and Developer, their successors and assigns, jointly and severally agree, in accordance with the TIS, to make the contributions based upon the findings in the TIS to the Town in accordance with the schedule attached hereto as **Schedule 1**, and in accordance with the payment due dates established in Schedule 1. In addition to all available rights and remedies at law or in equity, the Town shall have the right to suspend construction on the Property in whole or in part if any payment specified is not fully and timely remitted, time being of the essence, and Contract Purchasers and Developer consent to confession of judgment for all liquidated delinquent amounts remaining due and owing, together with reasonable attorney's fees associated with the exercise by the Town of any or all of the aforesaid rights of enforcement. The funds so contributed may be used and applied without limitation in the sole discretion of the Town in furtherance of municipal projects, which projects may

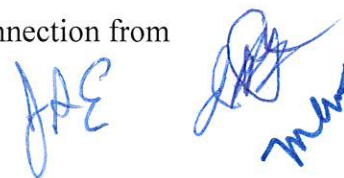


(but are not required to) include, and are not limited to, improvements to Maryland Route 144 (Old National Pike)/Route 75 intersection by adding an additional westbound left turn lane onto Maryland Route 75 southbound, adding an additional eastbound thru lane on Maryland Route 144 (Old National Pike) at that intersection, adding a new right turn lane from southbound Maryland Route 75 onto westbound Interstate 70 at the intersection of Maryland Route 75 and the ramps to/from westbound I-70, and improvements to the intersection of Maryland Route 75 and Old New Market Road.

Contract Purchasers and Developer, their successors and assigns, acknowledge and agree that, should the CDA tax credits require the construction of non-age-restricted housing which necessitates additional trips in addition to those set forth in the TIS, Contract Purchasers and Developer, their successors and assigns may be required by the Town (in consultation with Frederick County government and Frederick County Public Schools) to prepare a replacement Traffic Impact Study based on transportation conditions at the time when the CDA tax credit requirements are applied to the development, which may increase the financial contributions set forth in Schedule 1 by an amount determined by the Town and supported by accepted engineering analysis, and to undertake such other mitigation determined by the Town to be necessary to accommodate the additional trips and student population, if any, which may be generated by the aforesaid non-age-restricted housing.

7. Wellspring Way/Pedestrian Access to The Meadow at New Market. (a) If required by the Town or its Planning Commission, Developer agrees to construct and dedicate to the Town a public street connection between the Property and existing Wellspring Way in The Meadow at New Market ("The Meadow") with the use thereof restricted to emergency access and vehicles, the design and timing of construction to be determined by the Town or its Planning Commission. If agreed by the Town and a majority vote of the members of the homeowners' associations of The Meadow and of the residential community to be established on the Property (conducted in accordance with their respective HOA voting procedures), the restriction of the public street connection to emergency access and vehicles may be removed. The public street connection shall be in compliance with Town ordinances, regulations and determinations of the Town and its Planning Commission.

(b) Whether or not a public street connection between the proposed development and The Meadow is required, Contract Purchasers and Developer, their successors and assigns agree to establish a pedestrian sidewalk or pathway connection from



the proposed development up to the perimeter of the Property adjacent to the Meadow, in a manner, design and location, and at such time during construction, as may be determined by the Town. The pedestrian walkway shall be approved in accordance with the procedure established in subparagraph (a). The connection shall be in compliance with Town ordinances, regulations and determinations of the Town and its Planning Commission.

(c) The costs associated with the approval and installation of the proposed street connection and the pedestrian sidewalk or pathway, together with the acquisition of any required easements shall be the sole responsibility of the Contract Purchasers and Developer, their successors and assigns.

8. Water and Sewer Utilities. Petitioners, Contract Purchasers and Developer, for themselves and their successors and assigns, acknowledge that the Town is not directly engaged in the provision of public water or sewer service. The Town has entered into a Water Service Area Agreement, as amended from time to time, with Frederick County, Maryland. The Town has consented to the provision of public water and sewer service within New Market by Frederick County, Maryland. The Town agrees to make good faith efforts on behalf of itself, Owner and/or Developer in seeking to obtain such services, with such efforts to include, but not be limited to, submitting applications on behalf of the Developer for amendments to the Frederick County Water and Sewerage Plan as reasonably requested by the Developer, at the sole cost and expense of Contract Purchasers and Developer, their successors and assigns. Provided Owners/Petitioners, Contract Purchasers and/or Developer are not in default of the provisions of this Agreement, in accordance with and subject to Frederick County, Maryland and Town ordinances, policies and regulations governing the allocation of public water, the Town will facilitate the allocation of water taps to the Property at the time the extensions are completed and inspected by the Town. Notwithstanding any other provision of this Agreement, allocation of water taps to the Property shall be in accordance with Frederick County, Maryland and Town laws, policies, rules and regulations, as may be hereafter amended, in effect at the time such taps are allocated and reserved. All water tap fees will be paid to Frederick County, Maryland by the Contract Purchasers or Developer, their successors or assigns. All water engineering plans will be submitted to Frederick County, Maryland, with concurrent copies to the Town, for review and approval. All sewer tap fees will be paid to Frederick County, Maryland by the Contract Purchasers, Developer, or their successors and assigns requesting same. All sewer

engineering plans will be submitted to Frederick County, Maryland for review and approval. To the extent water and/or sewer service to the Property is to be provided in conjunction with Frederick County, Maryland, the Town shall cooperate and make reasonable efforts to facilitate such extensions and to allow for the use of its roadways, rights of way and other lands for the extension of lines, so as not to unreasonably impede development of the Property. Notwithstanding the foregoing, the Town shall not be required to expend any funds in furtherance of the extension or provision of utilities to serve the development. In accordance with and subject to Frederick County, Maryland and Town ordinances, policies and regulations governing the allocation of public water, the Town will facilitate the allocation of water taps to the Property at the time the extensions are completed and inspected by the Town, subject to the use and density limitations established in this Agreement, as may be requested by the Developer. Notwithstanding any other provision of this Agreement, allocation of water taps to the Property shall be in accordance with Frederick County, Maryland and Town laws, policies, rules and regulations, as may be hereafter amended, in effect at the time such taps are allocated and reserved. All water tap fees will be paid to Frederick County, Maryland by the Contract Purchasers or Developer, their successors or assigns. All water engineering plans will be submitted to Frederick County, Maryland for review and approval. All sewer tap fees will be paid to Frederick County, Maryland by the Contract Purchasers, Developer, or their successors and assigns requesting same. All sewer engineering plans will be submitted to Frederick County, Maryland for review and approval, with concurrent copies to the Town. To the extent water and/or sewer service to the Property is to be provided in conjunction with Frederick County, Maryland, the Town shall cooperate and make reasonable efforts to facilitate such extensions and to allow for the use of its roadways, rights of way and other lands for the extension of lines, so as not to unreasonably impede development of the Property. Notwithstanding the foregoing, the Town shall not be required to expend any funds in furtherance of the extension or provision of utilities to serve the development.

9. Town Taxes: For a period of four (4) years from the effective date of Annexation, municipal *ad valorem* real estate taxes applicable to the annexed property shall be assessed and taxed at fifty percent (50%) of the prevailing municipal *ad valorem* tax rate otherwise applicable to real property within the Town from time to time. Notwithstanding the foregoing, the preceding special provision shall cease to apply as to any lot, parcel or area

AAE [Signature] mm

depicted on any recorded subdivision or condominium plat which is improved **by one** or more substantially completed dwellings, or which comprises a common area. This tax rate reduction shall cease to apply in the event the development of the Property is abandoned Contract Purchasers and Developer, their successors or assigns.

10. Developer's Consent. In the event of any change to the Annexation Resolution to be introduced in response to the Petition prior to the Effective Date without the Developer's written consent, any consent of the Developer previously provided to the Annexation Resolution shall, if elected by the Developer in writing and given to the Town, be conclusively deemed withdrawn, and this Agreement shall be void and of no further force and effect.

11. Attorney's Fees, Expenses. In confirmation and furtherance of the previous agreement with the Town, Contract Purchasers and Developer, their successors and assigns, jointly and severally agree to pay or reimburse the Town for its reasonable attorney's fees, court costs, litigation expenses, expert witness fees, planning consultant fees and engineering fees, in full (collectively "Town Expenses"), within sixty (60) days following written request or demand. The Town Expenses include, but are not limited to, acts in furtherance of the Annexation, this Agreement, and any litigation relating to the annexation or development of the Property, by or against the Town, in which the Town, its elected and appointed officials, employees, boards, commissions or representatives is or are made a party. Failure to comply with this provision shall constitute a default in this Agreement, excusing the Town from its entire obligation to perform or continue to perform its obligations under this Agreement, and entitling the Town to all rights and remedies, at law or in equity with respect to any such default.

12. Miscellaneous. In accordance with Md. Code Ann., Land Use Article, §7-301 *et seq.*, if requested by petition of the Owners, Contract Purchasers or Developer, and subject to payment of applicable fees and considerations, consideration of the recommendation of the Planning Commission of the Town, and principles and limitations of applicable law and rights of judicial review, upon annexation of the Property, the Town will consider in good faith the execution of a development rights and responsibilities agreement in form and content satisfactory to the Town vesting rights in the zoning classifications set forth in the Annexation Resolution as of the time of execution of the development rights and responsibilities agreement for a period of not less than five (5) years, subject to the

conditions and limitations on use and density of development set forth in this Agreement. With respect to any issue or controversy arising under this Agreement, the parties irrevocably consent to jurisdiction and venue in the Courts of Maryland sitting in Frederick County having subject matter jurisdiction, with respect to any issue arising under this Agreement, which shall constitute the exclusive initial judicial forum as to any such issue or issues. The parties waive the right of trial by jury with respect to this Agreement. In order to preclude any application of the Rule Against Perpetuities, the parties agree that this contract shall expire, unless otherwise previously terminated, on the last day of the maximum time period legally permitted by the Rule Against Perpetuities in the State of Maryland. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable, for any reason, the remainder of this Agreement, or the application of such term or provisions to persons or circumstances other than those in which it is held invalid or unenforceable, shall not be affected thereby and shall be valid and enforceable to the extent permitted by law. No rule of interpretation shall apply with respect to the party drafting this Agreement in any judicial construction of this Agreement. This Agreement may be recorded in the office of the Clerk of the Circuit Court for Frederick County, Maryland. This Agreement shall survive the execution and delivery of any contemplated dedication document and shall not be merged therein. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No amendment or modification of this Agreement shall be effective unless in writing and signed by the parties or their successors or permitted assigns. This Agreement may not be assigned without the prior express written consent of the Town. No partnership or joint venture is intended to be created by this Agreement. There are no intended third-party beneficiaries to this Agreement.

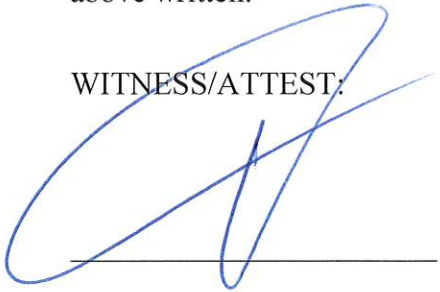
13. Liability of Petitioners/Owners under this Agreement. Anything to the contrary set forth in this Agreement notwithstanding, the Town expressly acknowledges and agrees that Owners/Petitioners shall have no obligation or liability under this Agreement except as expressly provided herein, and that in the event that Contract Purchasers or Developer do not, for any reason, succeed to ownership of the Property, any nonconforming agricultural use of the Property, or any part thereof, shall be permitted to continue, as permitted and provided in the Land Development Ordinance of the Town, and Owners/Petitioners shall have no further financial obligations to the Town, including but not limited to no obligation

to make any payment(s) set forth in Schedule 1. Owners/Petitioners acknowledge that they shall acquire no land use or development rights independent of the Contract Purchasers or Developer pursuant to this Agreement, other than the zoning classifications established in the Annexation Resolution.

14. Agreement Not Part of Annexation Resolution. The parties acknowledge and expressly intend and agree that this Annexation Agreement is separate from the Annexation Resolution, and is not to be considered a part thereof or incorporated therein.

WITNESS the execution of this Agreement, under seal, as of the day and year first above written.

WITNESS/ATTEST:



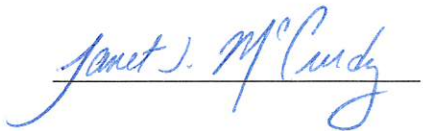
TURNPIKE FARM LIMITED PARTNERSHIP,
a Maryland limited partnership

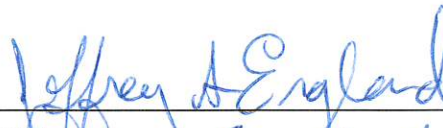
By:  (SEAL)
Name: Joseph H. Ganley
Title: General Partner

8615 Pete Wiles Road
Middletown, MD 21769

OWNER

ENG-LAND ACRES LLC,
a Maryland limited liability company



By:  (SEAL)
Name: Jeffrey A. England
Title: Eng-land Acres owner

5620 Detrick Road
Mount Airy, Maryland 21771

OWNER



WITNESS/ATTEST:

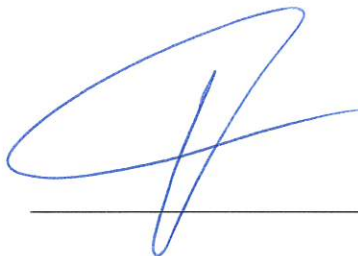


RYAN TRUST DEVELOPMENT LLC,
a Maryland limited liability company

By:  (SEAL)
Name: Daniel Ryan
Title: Manager

5310 Spectrum Drive, Suite C
Frederick, Maryland 21703

CONTRACT PURCHASER



DR ACQUISITIONS, LLC,
a West Virginia limited liability company

By:  (SEAL)
Name: Daniel Ryan
Title: Manager

64 Thomas Johnson Drive, Suite 110
Frederick, Maryland 21702

CONTRACT PURCHASER



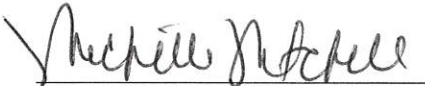
ENGLAND WOODS, LLC

By:  (SEAL)
Name: Daniel Ryan
Title: Manager

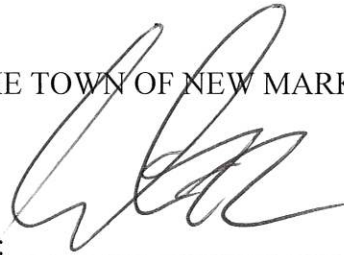
DEVELOPER



WITNESS/ATTEST:


Town Clerk

THE TOWN OF NEW MARKET

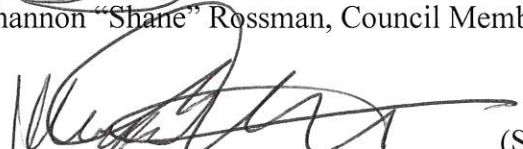

By: _____ (SEAL)
Winslow F. Burhans, III, Mayor



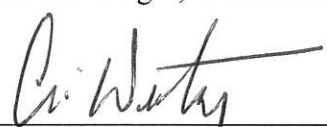
Dennis Kimble, Council Member



Shannon "Shane" Rossman, Council Member



Michael Wright, Council Member



Chris Weatherly, Council Member



Matthew Chance, Council Member

EXHIBIT A AND SCHEDULE 1 ARE PART OF THIS AGREEMENT


JAE
num

Exhibit A



DEVELOPMENT SUMMARY:
 150 - POTENTIAL AFFORDABLE
 MULTIFAMILY UNITS
 50 - 42' SINGLE FAMILY UNITS
 173 - 24' ATTACHED VILLA UNITS
 177 - 30' + ATTACHED VILLA UNITS
 550 TOTAL UNITS

CONCEPT SKETCH
 FOR
England Woods

SCALE: 1"=100' 02.02.21

HARRIS SMARIGA
 1015 CONVENT STREET
 SUITE 100
 FREDERICK, MD 21701
 301.445.1400
 www.harris-smariga.com

Handwritten notes and signatures in blue and red ink, including "JAE" and "TUM".

Schedule 1 - England Woods Contributions

Contributions A- Road Improvements	Estimated Amount	% Impact	England Woods Contribution	Date Due
1A - SB MD 75 tp WB I-70 Slip Ramp	\$ 226,450.00	17.52%	\$39,674.04	1st Final Plat Recordation
1B - Interchange Contribution	\$ 100,000.00	17.52%	\$17,520.00	1st Final Plat Recordation
2A - WB LTL MD 144 to MD 75	\$ 226,450.00	17.52%	\$39,674.04	1st Final Plat Recordation
3A - EB Thru Lane MD 144	\$ 226,450.00	17.52%	\$39,674.04	1st Final Plat Recordation
3B - Divergent Diamond	\$ 4,340,000.00	17.52%	\$760,368.00	1st Final Plat Recordation
3C - MD 75 - Four Lanes	\$ 3,590,000.00	3.01%	\$108,059.00	1st Final Plat Recordation
Town Contribution	\$ 600,000.00	100.00%	\$600,000.00	*See note
Conditions B - Escrows	\$ 75,434.00	17.52%	\$13,216.04	1st Final Plat Recordation
TOTALS			\$1,618,185.16	
Units			550	
Cost/Units			\$2,942.15	

*The Payment of \$600,000 shall not be due to the Town until the Annexation is effective, and the PDD rezoning has been obtained by the Developer and all referendum and appeal periods have expired.

Handwritten signatures and initials in blue and red ink.