

RELEASE AND SETTLEMENT AGREEMENT

This Release and Settlement Agreement (hereinafter "Agreement"), dated this 1st day of May, 2007, is entered into between Siamack Bahrami, M.D. ("Dr. Bahrami") and St. Martin's By the Bay Homeowners' Association (the "HOA") (collectively referred to as "the Parties").

WHEREAS, Dr. Bahrami is the title owner (or in the case of parcels titled in the name of St. Martin's Group, Inc., controls such entity) of certain parcels of improved and unimproved real property located in the St. Martin's By the Bay subdivision (the "Subdivision"), in which the HOA claims an ownership interest (the "Disputed Parcels");

WHEREAS, the HOA has filed suit in the Circuit Court for Worcester County (the "Court"), case number 23-C-06-000896 DJ (the "Litigation"), requesting that the Court quiet title to the Disputed Parcels by issuing a declaratory judgment requiring that Dr. Bahrami convey the Disputed Parcels to the HOA; and

WHEREAS, Dr. Bahrami denies that he is obligated to convey any of the Disputed Parcels to the HOA; and

WHEREAS, the HOA obtained an Order of Default and Summary Judgment against Dr. Bahrami, requiring conveyance of the Disputed Parcels to the HOA; and

WHEREAS, Dr. Bahrami has filed a motion with the Court seeking to have the Order of Default and Summary Judgment vacated ("Dr. Bahrami's Motion"); and

WHEREAS, Dr. Bahrami's Motion is currently pending before the Court, and is scheduled to be heard by the Court on April 20, 2007; and

WHEREAS, Dr. Bahrami and the HOA desire to resolve the Litigation amicably to be memorialized in a court order and to resolve all disputes between them relating to the Litigation concerning the Disputed Parcels in order to, *inter alia*, curtail the expense and inconvenience of the Litigation.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Dr. Bahrami and the HOA agree to settle the Litigation on the terms set forth below:

1. Dr. Bahrami agrees to promptly convey good and marketable fee simple title by special warranty deed, to the following Disputed Parcels: Parcel P-1A, "Part of Parcel P", and Parcel D-4A as shown on a Plat recorded among the Land Records of Worcester County, Maryland, as R.H.O. Liber 122, folio 7 (hereinafter "Plat A"); and Parcel O as shown on a plat recorded among the aforementioned Land Records as W.C.L. Liber 108, folio 52 (hereinafter "Plat B"). It is agreed that the area known as "Part of Parcel P" extends to the easterly boundary to Parcel P-1A so as to be contiguous with the southerly boundary of the Subdivision and it together with Parcel P-1A will be known as Parcel P-5 upon survey and platting. Dr. Bahrami shall at his expense promptly cause any entity having an interest in the properties to be in good standing and to convey its interest to the HOA. Title shall be good and merchantable subject to the claims of HOA.

2. Dr. Bahrami further agrees to convey good and merchantable fee simple title to Parcel P-3, identified as a "recovery and disposal area" on a plat recorded among the aforementioned Land Records in Liber 119, Folio 12 (hereinafter "Plat C"), to the HOA by special warranty deed when and if the Worcester County Health Department requires relocation to or use of all or part of Parcel P-3 as a part of the HOA sewer system. Attached as Exhibit A is the Agreement to Transfer Real

Property related to this paragraph 2, to be recorded in the Land Records of Worcester County upon entry of the Consent Order contemplated in Paragraph 10.

In the event that Dr. Bahrami is required to convey Parcel P-3 to the HOA as set forth in this paragraph 2, Dr. Bahrami agrees (1) to convey an easement across Parcel P, if deemed necessary by the Worcester County Health Department, for the installation of the necessary components to connect the HOA sewage system to Parcel P-3 and for its maintenance; and (2) to convey with Parcel P-3 any areas between Parcel P-3 and the "Wetland Area" on the Plat and to the south of P-3 so that the parcel conveyed would be bounded on the south by the property line of the Subdivision and on the easterly and northeasterly sides by the "Wetland Area" (which is to be transferred to the HOA pursuant to Paragraph 3 below), to the end that Parcel P-3 as conveyed would be contiguous with the "Wetland Area" and the southerly line of the Subdivision; and 3) to convey to the HOA a strip of land fifteen (15) feet wide along the southerly boundary of the Subdivision from Parcel P-1A to Parcel P-3 for the purpose of access.

3. Dr. Bahrami further agrees to convey good and marketable fee simple to the "Wetland Area", as shown on Plat C, by special warranty deed. The deed may reserve unto Dr. Bahrami, his heirs, assigns and/or successors in interest, an irrevocable easement over the "Wetland Area" no larger than eight (8) feet wide by one hundred (100) feet long, for purposes of constructing a walkway to extend from Lot 13A on Marina Drive, which is owned by the Trustees of the Siamack Bahrami Revocable Trust (deed recorded in Liber 2367, Folio 319). The walkway is to be for the exclusive use and enjoyment of Dr. Bahrami, his invitees, successors and assigns. He shall obtain all necessary permits from local, state and federal agencies.

4. Dr. Bahrami further agrees to convey to the HOA good and marketable fee simple title (subject to the claims of HOA) by special warranty deed to Parcel D-1 as shown on a plat

recorded among the aforementioned Land Records as W.C.L. Liber 90, folio 75 (hereinafter "Plat D"), and all improvements thereto, including the pier and boat slips (collectively hereinafter "Parcel D-1").

a. Dr. Bahrami, his heirs, successors and/or assigns shall have the right to exclusive use of one boat slip at the furthest end of the dock and pier attached to and extending from Parcel D-1 (the "Boat Slip"). Said right shall expire and terminate on the date that Dr. Bahrami receives the final payment due to him pursuant to Paragraph 6(c)(iv) below. Neither Dr. Bahrami, nor his invitees, successors or assigns, shall be obligated to pay any rental fee or other monies to the HOA for the maintenance, upkeep or use of the Boat Slip. Dr. Bahrami's exclusive use of the Boat Slip includes the right to assign, lease or rent his right to use the Boat Slip to another homeowner in the Subdivision.

b. Dr. Bahrami agrees to turn over to the HOA any monies that he has collected as slip rental fees for the 2007 season, if any.

c. HOA agrees to maintain, repair and otherwise care for the Boat Slip at least to the same extent that it maintains, repairs and otherwise cares for any and all other boat slips on said pier and dock. HOA may not decrease the size of the Boat Slip.

5. HOA agrees that, with regard to Parcel D-1, upon receipt of title to the same, HOA will be solely responsible for all maintenance, upkeep, repair and replacement of the pier and boat slips. HOA will have all obligations consistent with its ownership of Parcel D-1, including liability for all taxes arising from its ownership of the same, commencing with the tax year 2007-2008.

6. HOA agrees that after it receives title to Parcel D-1:

a. It will continue to charge market rates (currently \$650 per slip) for the rental of each boat slip (excepting the Boat Slip) attached to Parcel D-1 (the "Slip Rental Fees").

b. The HOA will use the Slip Rental Fees only for maintenance, upkeep, repair and/or replacement of the pier, gazebo, boat slips and dock attached to Parcel D-1, for the general maintenance and upkeep of Parcel D-1, such as trash removal, lawn mowing and the like, or to make any payment due under this paragraph 6 to Dr. Bahrami. Said obligations terminate when Dr. Bahrami has been paid all monies owed to him in accordance with this paragraph 6.

c. For two (2) years following the conveyance of Parcel D-1, the HOA will deposit all Slip Rental Fees into a bank account in the name of HOA (the "Dock Account"), and send to Dr. Bahrami an annual accounting of the Dock Account together with a statement of any money market or other account established by the HOA to earn interest on the funds, within thirty (30) days of the end of the year. HOA will request that the bank send copies of all statements to both the HOA and Dr. Bahrami. Dr. Bahrami shall have the right to request more frequent statements from HOA.

i. The Parties agree that, during the initial two (2) year period set forth in subparagraph c. above, the purpose of the Dock Account is to provide the HOA with funds necessary to plan for and/or improve or replace the boat slips, pier and/or gazebo.

ii. Within ninety (90) days of the second anniversary date of the delivery of an executed deed to the HOA of Parcel D-1, HOA may request, in writing, a one (1) year extension within which to substantially complete construction of any modification or improvement to the dock, pier and/or gazebo. So long as the HOA provides Dr. Bahrami with documentary evidence, in the form of plans, plats, construction drawings or a contract evidencing the HOA's intent to modify, extend or replace the pier and boat slips, within the one (1) year extension period, Dr. Bahrami will consent to the one (1) year extension, during which all Boat Slip Fees will continue to be deposited in the Dock Account.

iii. Should the two (2) year period set forth in subparagraph c.

above lapse without completion of any extension, replacement or substantial modification of the pier or boat slips, and the HOA fails to request a one (1) year extension, in writing, or Dr. Bahrami reasonably withholds his consent to any requested one (1) year extension of the aforementioned two (2) year period, the HOA shall immediately remit to Dr. Bahrami one half of all Boat Slip Fees received by the HOA during the aforementioned two (2) year period.

iv. At the end of the initial two (2) year period, or the one (1)

year extension thereof if applicable, the HOA will begin to remit to Dr. Bahrami, his heirs, successors or assigns, one half of the Boat Slip Fees received by the HOA, until the amount paid to Dr. Bahrami, his heirs, successors or assigns, reaches a total of one hundred and fifty thousand dollars (\$150,000). The HOA shall remit semi-annually all monies to be paid to Dr. Bahrami as set forth herein.

e. The HOA may maintain, repair, replace, extend or modify the pier,

gazebo, boat slips and dock attached to Parcel D-1 but will not construct any other permanent improvement on the land consisting of Parcel D-1, so long as Dr. Bahrami is owed a portion of the \$150,000. If the amount of money remitted to Dr. Bahrami shall fall below two thousand dollars (\$2,000) per year for three (3) successive years, the HOA shall immediately begin to pay to Dr. Bahrami at least four thousand two hundred and twenty-five dollars (\$4,225) per year until such time as all payments made by the HOA to Dr. Bahrami, his heirs, successors or assigns, shall reach a total of one hundred and fifty thousand dollars (\$150,000).

f. Should the pier, dock and boat slips be destroyed by an act of God

or force majeure prior to payment in full of the \$150,000, the HOA shall have three (3) years from said destruction to replace or repair the pier, dock and boat slips, including the Boat Slip. After three

(3) years, if the pier, dock and boat slips are not returned to substantially the same condition as they existed immediately prior to the damage (including the number of slips, etc.), HOA may request from Dr. Bahrami, in writing, an initial one (1) year extension in order to substantially complete the replacement of the pier, dock and boat slips. Dr. Bahrami may not unreasonably refuse the extension. The HOA may request from Dr. Bahrami, in writing, a second one year extension in order to substantially complete the replacement of the pier, dock and boat slips, not to be unreasonably withheld by Dr. Bahrami.

Should HOA fail to substantially complete the replacement of the pier, dock and boat slips to at least the same condition as existed prior to the damage within the timeframe set forth herein, then HOA shall pay \$4,225.00 per year to Dr. Bahrami until the total amount paid to Dr. Bahrami equals \$150,000.

7. a. In order for the Wetland Area to be eligible as open space, the parties agree to execute and record an easement over Parcel P (for ingress and egress) from Marina Drive to the Wetland Area for members of the HOA and their families, guests and invitees, said easement to be fifteen (15) feet in width and to be adjacent to and contiguous with Lot 13A.

b. The parties understand that Worcester County Planning staff takes the position that the areas within the Subdivision that are being either used or reserved for septic disposal and recovery cannot count toward the 30% open space requirement, so long as public water and sewer are unavailable to the Subdivision. Based on this limitation, the Subdivision will be approximately 6.3 acres short of the 30% open space requirement of 23.11 acres after the transfers described herein take place. The estimate of available open space acreage is shown on Exhibit B, attached hereto.

In order for the Subdivision to be in compliance with the County Code, the parties agree to execute and record an exclusive easement over as much land as is necessary for the Subdivision to meet the 30% open space requirement. The easement shall include Parcel D-4B, as shown on Plat A, and so much of Parcel P as is required by the County in accord with the letter from the County attached as Exhibit C. The area of Parcel P to be subject to the easement shall be the area south of the existing fence that extends eastward from the end of St. Martin's Parkway and adjacent to Parcel P-1A and, as necessary, the southerly end of the Subdivision extending eastward to include the total area required by the County. Once public water and sewer is installed and the septic areas are no longer in use, this open space easement will automatically expire. At that time, the areas currently used or reserved for septic disposal and recovery will be eligible as open space, and the areas owned in fee by the Association or which are covered by a permanent easement will contain sufficient open space to meet the County's 30% requirement.

8. As concerns all parcels to be conveyed to HOA pursuant hereto, or to be subject to an easement, the deeds and easements shall be prepared by counsel for HOA, and Dr. Bahrami shall be responsible for all real estate taxes for the tax years (and prior years) in effect on the date each deed is delivered fully executed to HOA's counsel for recordation. HOA shall pay the costs of recordation.

Dr. Bahrami hereby warrants and represents that there have been no changes to or extensions of the Lease between himself and Jeffrey and Jane Stopford, dated May 15, 2000.

9. The Parties contemplate that the conveyances and easements outlined herein will require or make advisable the preparation of one or more plats to be reviewed and approved by Worcester County Planning staff and recorded in the land records of Worcester County. The Parties

shall, therefore, jointly and immediately retain Frank Lynch or agree on another licensed surveyor to prepare said plats, paying the costs thereof and recording thereof in equal shares.

10. The Parties agree to the terms of the Consent Order attached as Exhibit D and that it be signed by their respective counsel and presented to the Court upon execution hereof.

11. Except for the terms of this Agreement, the Parties agree that each will, and hereby does, forever and irrevocably release and discharge the other from any and all claims, demands, charges, debts, defenses, actions or causes of action, obligations, damages, promises and liabilities whatsoever, whether known or unknown, which either now has, has had, or may have whether the same be at law, in equity or mixed, in any way arising from or relating to any act, occurrence, or transaction on or before the date of this Agreement relating to the disputed ownership of land or lots within the Subdivision by HOA and Dr. Bahrami.

12. The Parties acknowledge that they have consulted with their respective attorneys before signing this Agreement and that they have fully reviewed the terms of the Agreement with their respective attorneys. Based upon that review, the Parties hereby acknowledge that they fully and completely understand and accept the terms and conditions, nature and effect of this Agreement, which they freely and voluntarily execute after having had ample time to consider their decision to do so.


13. The Parties agree that this Agreement shall in all respects be interpreted and enforced under the laws of the State of Maryland. Should any provision of this Agreement be declared or be determined by any court or agency to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby, and said legal or invalid part, term, or provision shall be deemed not to be a part of the Agreement.

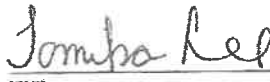
14. The Parties agree that the Agreement shall be binding on and inure to the

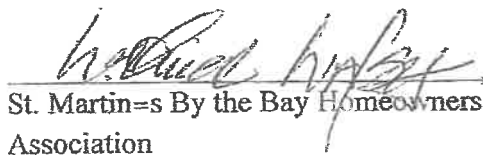
benefit of Dr. Bahrami, his heirs and assigns, and HOA and its successors and assigns; that this Agreement contains and comprises the entire agreement and understanding of the Parties; that there are no additional promises or terms of the Agreement among the Parties other than those contained herein; and that the Agreement shall not be modified except in writing signed by all of the Parties hereto.

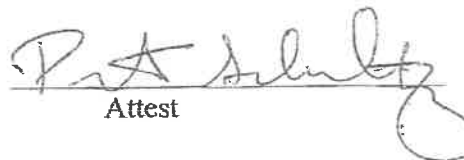
15. The Parties agree that this Agreement may be executed in duplicate originals. Copies of this Agreement shall have the same force and effect as an original, and each of the Parties hereto expressly waives any right to assert that such copies fail to comply with the "Best Evidence" rule, or any equivalent rule of law or evidence of any other jurisdiction.

16. The Parties agree that should either be required to institute legal proceedings against the other to enforce the terms of this Agreement, the substantially prevailing party to any such litigation shall be entitled to an award of all costs of the legal proceedings, including the prevailing party's reasonable attorneys' fees.


Siamack Bahrami, M.D.


Witness


St. Martin=s By the Bay Homeowners
Association


Attest

By: Oliver Walsh, Chairman

STATE OF Maryland, COUNTY OF Prince Georges, TO WIT:

I HEREBY CERTIFY that on this 1 day of May, 2007, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared SIAMACK BAHRAMI, and he acknowledged the foregoing deed to be his act and deed.

AS WITNESS my hand and Notarial Seal.

Gloria J. Ogden
Notary Public

My Commission Expires: 4/1/10

STATE OF MARYLAND, COUNTY OF Anne Arundel TO WIT:

I hereby certify that on this 18th day of April, 2007, personally appeared before me, the subscriber, a Notary Public in and for the State and County aforesaid, William A. Jones, the duly authorized agent of ST. MARTIN= S BY THE BAY HOMEOWNERS ASSOCIATION, who executed the foregoing instrument on its behalf for the purposes contained therein.

AS WITNESS my hand and Notarial Seal.

William A. Jones
Notary Public

My Commission Expires: 3/1/2011

Exhibits
Not to be
Signed

Exhibit A

AGREEMENT TO TRANSFER REAL PROPERTY

This Agreement (the "Agreement"), dated the ____ day of April, 2007, is entered into by SIAMACK BAHRAMI ("Bahrami"), Grantor, and ST. MARTIN'S BY THE BAY HOMEOWNERS' ASSOCIATION ("HOA"), Grantee, collectively referred to as the "Parties".

WHEREAS, the Parties executed a Release and Settlement Agreement on April ____, 2007, which Agreement was incorporated in a Consent Order dated April ____, 2007 in relation to Case No. 23-C-06-000896DJ in the Circuit Court for Worcester County, which Agreement requires this Agreement; and

WHEREAS, the St. Martin's By the Bay subdivision (the "Subdivision") is covered by certain provisions regarding its water and sewerage system, as outlined in an Agreement between St. Martin's Group, Inc. (the original developer of the Subdivision) and the Department of Health and Mental Hygiene of the State of Maryland, dated March 6, 1984, and recorded among the Land Records of Worcester County, Maryland in Liber 960, Page 33, and in later agreements dated June 13, 1984 and recorded in Liber 991, Page 251, and dated October 3, 1986 and recorded at Liber 1225, Page 182, and dated February 23, 1988 and recorded in Liber 1410, Page 341, collectively referred to as the "Health Department Agreements"; and

WHEREAS, the Subdivision is still being served by a private water and sewerage system, which is owned by the Subdivision, as contemplated by the Health Department Agreements; and

WHEREAS, certain parcels within the Subdivision have been reserved as "Recovery and Disposal Areas" (collectively, "Reserve Areas") for the water and sewerage system and must be available for use by the Subdivision in case of a failure of a Reserve Area currently in use; and

WHEREAS, the parcel designated as Parcel P-3 on a plat entitled "Plat 2, Section II," and recorded among the aforesaid land records as Liber 119, Page 12 ("Plat A"), is a Reserve Area which is not currently in use.

NOW, THEREFORE, the Parties agree as follows:

1. When and if the Worcester County Health Department requires all or part of the sewerage system serving a portion of the Subdivision to be relocated to or to use of any part of Parcel P-3, Bahrami agrees to convey good and merchantable fee simple title to Parcel P-3 to the HOA, by special warranty deed.
2. Bahrami also agrees to convey, with Parcel P-3, any property located to the east of Parcel P-3 that falls between Parcel P-3 and the "Wetland Area," shown on Plat A, and to the south of Parcel P-3 to the boundary of the Subdivision, so that the entire parcel conveyed will be contiguous with the "Wetland Area" and the southerly boundary of the Subdivision.
3. Bahrami also agrees to convey with Parcel P-3 and the property described in paragraph 2, above, a strip of land fifteen (15) feet in width and running contiguous with and along the southerly boundary of the Subdivision, from Parcel P-1A, shown on (Plat A), to Parcel P-3, for the purpose of access.
4. In the event that Bahrami is required to convey Parcel P-3 as aforementioned, Bahrami also agrees to convey an easement as necessary across Parcel P, shown on Plat A, for the purposes of installation of the components required to connect the water or sewerage system to Parcel P-3, and for its maintenance.
5. This Agreement shall be binding on Bahrami, his heirs, successors, and assigns.
6. This Agreement shall be construed in accordance with the laws of the State of Maryland.

ATTEST:

St. Martin's By the Bay Homeowners' Association

By: Oliver Walsh, Chairman

Siamack Bahrami

STATE OF MARYLAND, COUNTY OF _____, TO WIT:

I hereby certify that on this ____ day of _____, 2007, personally appeared before me, the subscriber, a Notary Public in and for the State and County aforesaid, OLIVER WALSH, the duly authorized agent of ST. MARTIN'S BY THE BAY HOMEOWNERS ASSOCIATION, who executed the foregoing instrument on its behalf for the purposes contained therein.

AS WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires: _____

STATE OF MARYLAND, COUNTY OF _____, TO WIT:

I HEREBY CERTIFY that on this ____ day of _____, 2007, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared SIAMACK BAHRAMI, and he acknowledged the foregoing deed to be his act and deed.

AS WITNESS my hand and Notarial Seal.

Notary Public

My Commission Expires: _____

Exhibit B: Open Space Estimate

This list reflects an estimated total of the open space available to the Subdivision while public water and sewer remain unavailable; septic disposal and recovery areas are not counted as open space on any parcel. Areas available for open space in several parcels are estimated, based on the presence of septic recovery areas and parking lots or easements, which will affect the final total. Also, it is not entirely clear whether the townhouse area in Parcel D-4A is counted as part of the acreage or if the acreage was calculated without the townhouse area. This will be determined by the final survey. These numbers are to be finalized by County approval of the survey.

<u>Parcel</u>	<u>Acres</u>	
A	.2551	(estimate of 1/4 of total area available as open space)
B	.4393	
C	.8498	
D	.3174	(estimate of 1/2 of available area, for townhouse parking)
D-1	.5807	
D-4A	.5289	(estimate of 40% of available area, for parking and easement)
P-4	.5002	
Part of P	1.3705	(estimate area based on PUD Plan)
M, N & O	.1674	
Wetlands	11.5550	
Easement	.2342	(estimate)
Total	16.7985	Estimate of 6.3115 acres needed to meet 23.11 acre open space requirement
(estimated)		

WEBB, BURNETT, CORNBROOKS,
WILBER, VORHIS, DOUSE & MASON, LLP

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SUSAN K. HILL

WRITER'S E-MAIL ADDRESS:
kburnett@webbnetlaw.com

April 16, 2007

Edward H. Hammond, Jr., Esquire
Worcester County Commissioners
Worcester County Government Center
1 West Market Street
Room 1103
Snow Hill, Maryland 21863-1195

Dear Ed:

I write to follow up on our meeting on March 27, 2007, regarding the St. Martin's by the Bay subdivision (the "Subdivision"). As you know, we are attempting to settle litigation between the Homeowners' Association ("HOA") and Dr. Siamack Bahrami, the successor of the original developer ("Bahrami"). We are also attempting to assure that the Subdivision meets the County's 30% open space requirement, as outlined in the applicable Code provisions.

Basically, you have confirmed our client's understanding that the Association has not been conveyed sufficient open space land to meet the applicable Code provisions and the intent of the original approvals. The settlement contemplates approximately 24 acres being owned in fee simple by the HOA (including in one case approximately 1/4 acre by permanent easement) as open space in total, before subtracting out the septic and recovery areas described below (see List 1 on Exhibit A-1 attached).

As explained by Kelly Henry, because the Subdivision is now being served by a private water supply and a private sewer system, the office of Planning & Zoning takes the position that the areas within the Subdivision that are either being used or reserved for septic recovery are not eligible to count as open space. Without the disposal and recovery areas counting as open space, the HOA does not own enough land to meet the 30% requirement for the Subdivision. However, when County water and sewer is made available to the Subdivision, the disposal and recovery areas will be eligible to count as open space, and the 30% requirement will be exceeded by the parcels owned by the HOA, once certain parcels are deeded to the HOA, per the settlement agreement. In addition, a right of way easement to the Wetland Area is required for it to qualify as open space.

In order to meet the open space requirement in the interim, we proposed an exclusive easement for the benefit of the HOA over a portion of Bahrami's land. The easement area will serve as open space until such time as County water and sewer are available to the Subdivision,

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Edward H. Hammond, Jr., Esq.

April 16, 2007

at which time all lands owned by the HOA will be sufficient to meet the open space requirement, and the easement (except for the right of way to the wetlands referred to above) will no longer be needed. At that time, the easement will expire. These exclusive easements were tentatively approved at our March meeting, with final approval pending submission of a new plat to be created and recorded once the settlement agreement is executed. The calculation/estimate of the acreage required for the easement is shown on List 2 of Exhibit A-1. The parties have agreed to hire a surveyor to create a new plat, which will make clear exactly how much area must be covered by the easement. At that point, the easement will be executed and recorded.

In order for the parties to execute the settlement agreement and move forward with their plans for the survey and plat, we need you to give us your approval of the basic plan to allow the proposed easement areas to serve as open space and count toward the 30% requirement until County water and sewer is made available to the Subdivision. We suggest that the easement include parcel D-4B and as much of parcel P as is necessary to bring the total open space acreage to 30%. The time and expense necessary to bring this plan to completion will be lost without formal approval from you at this outset. We have appreciated your involvement thus far and your willingness to follow this through. We ask that you sign one copy of this letter as an approval of the easement concept and return it to us so that the parties can conclude the pending litigation.

Sincerely,

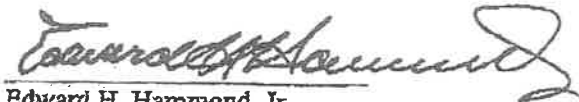


K. King Burnett

APPROVED:

Worcester County

By:



Edward H. Hammond, Jr.

Date:

4/17/07

Exhibit A-1

The following calculations regard "open space" in the St. Martin's by the Bay subdivision.

The first list includes open space conveyed and to be conveyed to the HOA including all areas currently reserved as septic disposal and recovery areas, with the understanding that once public water and sewer are available, these disposal areas can count towards the open space requirement. The second list does not include these disposal areas.

We have counted Parcel P-4 in both lists because the pool and tennis court area serve as recreation for the entire community and, thus, fit the definition of open space in the Code. Also, we have counted one half of the open space as wetlands, as authorized in the Code.

The area listed as "Part of P" will be deeded to the Association, which is why it is included separately from the Residue of Parcel P. The area of this "Part of P" was shown on the PUD Plan, but an accurate area will be obtained once the survey is performed, and the number can be adjusted as necessary. This area will be known as Parcel P-5 on the new plat.

List 1: Total open space once public water and sewer are available to the development

<u>Parcel</u>	<u>Acres</u>
A	1.0203
B	2.2624 (to be adjusted once new survey is done of Parcel P-4)
C	.8498
D	.5827 (1/3 subtracted to account for townhouse parking lots—estimate)
D-1	.5807
D-4A	.5289 (estimate of 40% of available area, for parking and access easement)
P-1A	4.2444
P-4	.5002 (to be adjusted once new survey is done)
Part of P	1.3705 (as shown on PUD Plan—to be adjusted once the new survey is done)
M, N, & O	.1674
Wetlands	11.5550 (½ of required open space can be wetlands, as per the Code)
Easement	.2342 (15' wide easement from road to provide access to wetland areas)
Total	23.8965 acres (total required = 23.11 acres)

List 2: Total open space while public water and sewer remain unavailable; septic disposal and recovery areas not counted as open space.

<u>Parcel</u>	<u>Acres</u>
A	.2551 (estimate of 1/4 of total area available as open space can be adjusted)
B	.4393
C	.8498
D	.3174 (estimate of 2 of available area, to account for townhouse parking)
D-1	.5807
D-4A	.5289 (estimate of 40% of available area, for parking and access easement)
P-4	.5002
Part of P	1.3705 (estimate of area based on PUD Plan—to be re-named Parcel P-5)
M, N & O	.1674
Wetlands	11.5550
Easement	.2342 (estimate)
Total	16.7985 (need an estimated 6.3115 acres to meet 23.11 acre minimum)

An easement for open space use for the community members will be executed including approximately 6.3 acres to meet the minimum requirement until public water and sewer are available. This easement area will be comprised of Parcel D-4B, and as much of Parcel P as is necessary to meet the minimum, to be located between the southern border of Parcel P and the fence line near the corner of Marina Drive and St. Martin's Parkway bordered on the west by Parcel P-1A, and extending eastward in a line south of and parallel with the existing fence.

Exhibit D

**ST. MARTIN'S BY THE BAY
HOMEOWNER'S ASSOCIATION
Plaintiff**

v.

**SIAMACK BAHRAMI, ET AL
Defendants**

*** CIVIL NO. 23-C-06-000896 DJ
* IN THE CIRCUIT COURT
* FOR WORCESTER COUNTY
* STATE OF MARYLAND**

*** * * * ***

MOTION

The undersigned parties hereto hereby request this Court to vacate the Order of Default and Summary Judgment entered herein and to enter an Order and Judgment in accordance with the attached draft Order and attachment.

K. King Burnett
Webb, Burnett, Cornbrooks, Wilber,
Vorhis, Douse & Mason, LLP
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ST. MARTIN'S BY THE BAY
HOMEOWNER'S ASSOCIATION
Plaintiff

* CIVIL NO. 23-C-06-000896 DJ

* IN THE CIRCUIT COURT

v.

* FOR WORCESTER COUNTY

* STATE OF MARYLAND

SIAMACK BAHRAMI, ET AL
Defendants

* * * * *

ORDER

Upon the consent of the parties as evidenced by their signatures on the Settlement Agreement, copy of which is attached hereto and incorporated herein by reference, and at the joint request of their counsel as evidenced as the Motion filed in connection with this Order, and after review of the pleadings and matters herein, it is this _____ day of _____, 2007;

ORDERED, that the Order of Default entered against Siamack Bahrami and the judgment entered against him in accordance with the Motion for Summary Judgment filed by the Plaintiff, which Orders were entered on October 6, 2006, are hereby vacated; and

FURTHER ORDERED, that judgment is hereby entered in favor of the Plaintiff and against the Defendant Siamack Bahrami in accordance and subject to the terms of the attached Settlement Agreement dated April ____, 2007; and

FURTHER ORDERED, that the Defendant Bahrami shall pay all open costs to the Clerk of this Court, if any.

JUDGE

[illegible]

Frank G. Lynch, Jr.
 & Associates, Inc.
 SURVEYING - LAND PLANNING
 10636 BACKLICK ROAD - BETHesda, MARYLAND 20814
 (410) 641-5550 - 641-4976

[illegible]