

Dear Homeowner:

The enclosed copy of the Settlement Agreement is to settle the dispute with Central Maryland Utilities with regards to the front foot assessment. If you have already taken care of this debt, then you can disregard this settlement agreement. **(Please destroy the enclosed settlement agreement if it does not apply to you).** Our legal counsel has determined that the front foot assessment charge is a legal debt that will continue through the year 2022.

The agreement will be executed and dated by Fred Pritt, President of Central Maryland Utilities, Inc, at a later date to be determined by our legal counsel. Our legal counsel will date each agreement and record the initial \$200.00 from the homeowner that executed the agreement and the homeowner will receive a copy of the signed and dated agreement at a later date.

This enclosed agreement is between you and Central Maryland Utilities Inc. The Sandridge Homeowners Association is acting as a depository for the collection of the initial payment of \$200 so that the Sandridge Homeowner's Association does not incur further expense in this regard. After we receive your signed copy of this settlement agreement and your check for \$200 has cleared, our attorneys will make sure that Central Maryland Utilities gets your executed contract and your payment of \$200 for the 2006 front foot assessment. After this is completed, the Sandridge Homeowner's Association will not be involved in this matter as this matter will then be between you and Central Maryland Utilities.

Read this agreement carefully. If you are in agreement with it, you need to sign this agreement, make a copy of it, and then return this agreement with a check for \$200 payable to the **Sandridge Homeowner's Association by September 25, 2006.** (For: 2006 Front Foot Assessment). You will be given a receipt for this once your check clears. This must be completed by September 25, 2006.

You will then be responsible for paying the rest of the payments without being invoiced. Your first deferred payment of \$50 will be due on the first day of each month beginning on the first day of the second full month after the date of the signed and executed agreement. Payments will be deemed "overdue" after the tenth of the month in which the payment is due. The deferred payment checks will be made payable to **Central Maryland Utilities** and should be mailed to the address in the settlement agreement. The only exceptions will be those who have not lived here for the entire period since Jan 1, 2003 or who have already made a partial payment of the assessment. For these exceptions, your last payment will be due when you have fulfilled the calculated amount you owe. You will have to use the monthly and daily amounts in the settlement agreement to determine your actual debt based on the time you closed on your house. **Don't forget to put the date that you closed on your house if it was after January 1, 2003.**

This agreement is null and void if you miss a payment. The settlement agreement states that you will become responsible for all front foot assessments owed for years prior to 2003 to 2006 for all monies owed on your property.

There is no mention of early payment in the contract, but I don't believe they have a problem if you just want to pay this off early in one lump sum and just get it over with. Just send the amount due and put paid in full on the contract. If you are paying in full, you still want to sign this contract saying that you agree to it so that they won't have recourse to come back later and collect amounts before 2003.

Also, if you have already paid some money toward the 2003 - 2006 front foot assessment debt, note the check number you used to pay, the amount you paid, and the date you paid it (Make note on the settlement agreement). If you paid \$200 or more, you only need to start making the monthly payments of \$50 as outlined in the timeframe on the settlement agreement and continue to pay \$50 monthly until you pay the amount you owe. If you have made any payments toward this debt that total anything less than \$200, then the difference needs to be made up as your initial payment that you send to the Sandridge Homeowners Association (in fulfillment of your initial \$200 payment).

These agreements can be mailed to Sandridge Homeowners Association, P. O. Box 725 Severn MD, mailed to me at 7916 Evesboro Dr. Severn MD, or dropped off at my house when I am at home. Please call me if you have any questions or concerns or if you need help with calculating how much you will owe if you haven't lived here since Jan 1, 2003.

I will be out of town until September 4<sup>th</sup>.

Eddie Arnold 410 519-0367  
President

Central Maryland Utilities, Inc.  
c/o US Utilities, Inc.  
Attn: Dwayne Zinzcraft

January 30, 2006

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Homeowners who settled for purchase of their home after January 1, 2004 would owe only for the period of time since the settlement.

I have recommended to the association that its members for whom we are negotiating agree to pay front foot benefit assessment charges to Central Maryland Utilities, Inc. for the

years 2004, 2005 and 2006, or from the date they settled for purchase of their property, whichever is less in return for the waiver of claims for any prior years.

I propose that we would collect \$200.00 from each of the eighty-five (85) or so homeowners for whom we are negotiating (a total of approximately \$17,000.00) and pay that in a lump sum. The members for whom we are negotiating would then individually agree to pay the balance of \$400.00 in installments of \$25.00 every other month, beginning one month after the Settlement Agreement is made, until the full remaining balance of \$400.00 for each homeowner is paid in full. The obligations of the homeowners would be individual, and not joint with all of the parties who are to be bound by the Agreement. There would be no interest or penalty charged for the installment payments.

Beginning in 2007, homeowners would be billed directly by Central Maryland Utilities, Inc. (or by U.S. Utility Corporation as its agent) and make payments directly on account of invoices rendered.

I would appreciate it if you would take this proposal up with the principals of Central Maryland Utilities, Inc. as you have said you would do. So that this matter can be concluded without delay, the proposal will remain open for only thirty (30) days from the date of this letter. In any event, the full and final terms of a settlement will be embodied in a written Settlement Agreement, to be entered under seal. For administrative purposes, the Agreement will be signed by Central Maryland Utilities, Inc. and Sandridge Homeowner's Association, Inc., but will be for the benefit of homeowners and properties designated in a schedule attached to the Agreement.

I look forward to hearing from you with a favorable response to this proposal as quickly as possible.

Very truly yours,  
S. Leonard Rottman

**Homeowners : Please read and sign here on the next paragraph if you agree to the following terms and conditions.**

**Please reply by Feb 8, 2006. Mail to P. O. Box 725, Severn MD, 21144, or drop off a President's house at 7916 Evesboro Dr. or bring to the meeting on February 7, 2006.**

I/we, \_\_\_\_\_ (print name) homeowner(s) at  
\_\_\_\_\_ (address), Severn MD 21144, agree to the terms in the letter below.

\_\_\_\_\_  
**Signature of homeowner(s)**

**S. Leonard Rottman**

LRottman@AdelbergRudow.com

January 30, 2006

Central Maryland Utilities, Inc.  
c/o US Utilities, Inc.  
Attn: Dwayne Zincraft  
P.O. Box 937  
Severna Park, Maryland 21146

Re: Sandridge  
Our File No.: 10103.700

Dear Mr. Zincraft:

This will confirm our recent telephone conversation in which I advised you that this office represents Sandridge Homeowner's Association, Inc. In connection with that representation, we are negotiating on behalf of approximately eighty-five (85) homeowners in the Sandridge development relating to claims made by Central Maryland Utilities, Inc. for front foot benefit assessments alleged to be past due. Some of the claims made are for more than five or six years past due charges, and total in excess of \$1,600.00.

As I also told you in our telephone conversation, a number of the homeowners in the Sandridge development were totally unaware of the alleged obligation to pay a front foot benefit assessment of \$200.00 per year. The assessment began on January 1, 1990 and runs for a period of thirty-three (33) years.

Based on our research of the facts and law of this case, we have advised the Association that we believe the residents in the Sandridge community are obligated to pay some of the past due charges, and will be obligated to pay charges for future years pursuant to the Declaration. We have advised the Association that we believe that the statute of limitations (a period of three years) bars any claims prior to January 1, 2004. This would mean that the homeowners would now be obligated to pay at most for the years 2004, 2005 and 2006, at \$200.00 per year.