

McCRONE

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December 18, 2003

Mr. W. Calvin Gray, Jr.
Claiborne Farms, Inc.
106 Banjo Lane
P.O. Box 140
Centreville, MD 21617

RE: PROPOSED SUBDIVISION, SUDLERSVILLE

Dear Mr. Gray:

As per your request, we have researched the original Coleman subdivision and your proposed annexation and subdivision. The original Coleman subdivision done in 1991 was a cluster subdivision not using non-contiguous development techniques or TDRs. The lot density was *by right* with no premium technique or bonus density used.

At the time the subdivision was done, the TDRs/non-contiguous rights were selling for an nominal amount. The cost increased over the years from \$2,000.00 to \$4,000.00, and now sell for approximately \$6,000.00. It is a stretch to say that the 12 lots are translatable to \$48,000.00 to \$72,000.00 for the supporting open space because no non-contiguous was used.

Therefore:

It is our intent to provide a community water supply to the proposed TND. This will entail the construction of a deep well with back-up, a water treatment building for chlorination and an elevated water storage tank to provide capacity in the air for fire fighting. This is to remain private until such a time as Sudlersville elects to extend this benefit to the remaining residents of Sudlersville. A PSC-approved water treatment and distribution plant will result. The Sudlersville Elementary School, the Senior Center and Senior Housing component are located immediately adjacent to the Coleman tract. It is feasible for Claiborne Farms, Inc. to provide extra capacity in their "private" facility to serve the adjacent lands.

The cost savings to the County are:

- ▶ No new well and treatment at the Senior facilities
- ▶ No ground storage or standpipe (similar to Grasonville elementary and Queen Anne's County High School (include booster pump)
Fire hydrants at the school and the Senior Complex

Additional benefits include:

- ▶ Shared costs for improvements to Maryland Route 300 entrance to Senior facilities
- ▶ Shared stormwater management (discharge from the Senior Complex must run through Gray lands so it makes sense to handle some of the County water off-premises thus maximizing county land use)

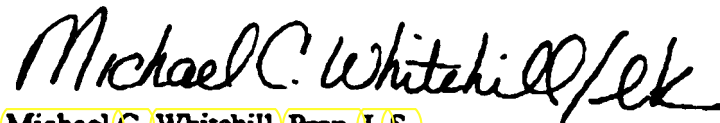
The cost for the standpipe and well is approximately \$190,000.00, minimum. The County's portion of shared SHA improvements expense is approximately \$22,000.00. Offset land value for stormwater management at rate paid for the land minimum times two.

If the County extinguishes the open space covenants on the remaining lot 13 and expressly agrees to an annexation agreement to grant the waiver of the 5-year zoning consistence hold in trade for inclusion in the community water supply at user rates equivalent to those charged other users in the system (fire flows will be by-passed) an equity is found. A separate agreement with the County for services may be entered or a condition of annexation may be entered clarifying each condition. A separate document abandoning County easements/covenants should be prepared because the Town should want no part of that issue.

If you have further questions, please call me at (410) 758-2237.

Sincerely,

McCRONE, INC.



Michael C. Whitehill, Prop. L.S.

Vice President