

SETTLEMENT AGREEMENT

This Settlement Agreement is made as of the 19th day of Sept., 2007, by and between Sherry Bellamy, George Bumbray, John Moses, April Moses, John Davis and Laverne Davis, on the one hand, and the Property Owners Association of Arundel on the Bay, Inc., Frank A. Florentine, Michael Merrigan, R. Rebecca Morris, Barry Dempsey and David Zeman, on the other hand.

RECITALS

WHEREAS, Sherry Bellamy and George Bumbray own real property located in Anne Arundel County, Maryland known as 3402 Chesapeake Walk, Annapolis, Maryland 21403, and identified as Lots D and E, Block 3 (the "Bellamy/Bumbray Property"), as shown on a plat entitled "Arundel on the Bay," which plat is recorded among the Land Records of Anne Arundel County, Maryland in Plat Book S.H. 34, folio 509 (hereinafter, the "AOTB Plat"), by virtue of a deed dated March 1, 1999 and recorded among the Land Records in Liber 9027, folio 556; and

WHEREAS, John and April Moses own real property located in Anne Arundel County, Maryland known as 3440 Chesapeake Walk, Annapolis, Maryland 21403, and identified as Lots D, E, F and G, Block 6 (the "Moses Property"), as shown on the AOTB Plat, by virtue of a deed dated May 21, 1971 and recorded among the Land Records in Liber 2407, folio 361; and

WHEREAS, John and Laverne Davis own real property located in Anne Arundel County, Maryland known as 3406 Chesapeake Walk, Annapolis, Maryland 21403, and identified as Lot B, Block 3 (the "First Davis Property"), as shown on the AOTB Plat, by virtue of a deed dated December 15, 1994 and recorded among the Land Records in Liber 6871, folio 73; and

WHEREAS, John and Laverne Davis also own real property located in Anne Arundel County, Maryland known as 3408 Chesapeake Walk, Annapolis, Maryland 21403, and identified as Lot A, Block 3 (the "Second Davis Property"), as shown on the AOTB Plat, by virtue of a deed dated September 1, 2006, and recorded among the Land Records in Liber 17880, folio 753; and

WHEREAS, the Bellamy/Bumbray Property is bound by Chesapeake Walk and Cedar Avenue, the Moses Property is bound by Chesapeake Walk and Redwood Avenue, the First Davis Property is bound by Chesapeake Walk, and the Second Davis Property is bound by Chesapeake Walk and Walnut Avenue; and

WHEREAS, Defendant, Property Owners Association of Arundel on the Bay, Inc., is a Maryland corporation, maintains its principal place of business in Anne Arundel County, Maryland, and is organized and exists to promote and protect the general interest, welfare, and property of the members of the community of Arundel on the Bay, as shown on the AOTB Plat; and

WHEREAS, the Property Owners Association of Arundel on the Bay, Inc., Grantee, owns real property located in Anne Arundel County, Maryland known as Lots C-I, Block 13, and Lots I, K, L and M, Block 32, as shown on the AOTB Plat; and

WHEREAS, Frank A. Florentine, Barry Dempsey, R. Rebecca Morris, David Zeman and Michael Merrigan, are, or at all times relevant to the events giving rise to this Agreement were, agents of the Association and residents of Anne Arundel County, Maryland; and

WHEREAS, the Property Owners filed a complaint styled as *Bellamy, et al. v. Property Owners Association of Arundel on the Bay, Inc., et al.*, Case No. C-06-115184 IJ, in the Circuit Court for Anne Arundel County, Maryland, seeking to quiet title to the portions of Chesapeake Walk, Redwood Avenue and Walnut Avenue that abut their respective properties (collectively, the “Disputed Streets” and each individually, a “Disputed Street”; for purposes of this Agreement, the portion of Cedar Ave that binds the Bellamy/Bumbrey Property shall be deemed a Disputed Street); and

WHEREAS, the Quiet Title Action seeks to determine ownership of and access rights to the Disputed Streets; and

WHEREAS, the Property Owners, the Association and the Association Officers desire to settle fully and finally any and all claims, known and unknown, with regard to rights of access to the Disputed Streets, leaving the Title Issue to be decided by the Circuit Court for Anne Arundel County, Maryland (the “Circuit Court”), on cross motions for summary judgment.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and agreements stated herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. *Incorporation of Recitals and Definitions:* The foregoing Recitals and all Definitions stated herein are integral parts of this Agreement and are not mere surplusage.

2. *Definitions:*

(A) The terms “Agreement” and “Settlement Agreement,” as used herein, shall mean the final version of this Settlement Agreement executed by all Parties hereto.

(B) The term “Quiet Title Action,” as used herein, means that civil action styled as *Bellamy, et al. v. Property Owners Association of Arundel on the Bay, Inc., et al.*, in the Circuit Court for Anne Arundel County, Maryland, Case No. C-06-115184 IJ, as well as all

subsequent or related proceedings, of whatsoever kind or nature, arising therefrom, except for proceedings instituted to enforce this Agreement.

(C) The term "Title Issue," as used herein, means the question raised in Counts I, II, III and IV of the Property Owners' Second Amended Complaint and in Counts I and II of the Association's Counterclaim, filed in the Quiet Title Action, regarding whether the Property Owners or the Association holds fee simple title to the Disputed Streets.

(D) The term "Final Judgment," as used herein, means the final resolution of the Title Issue, as reflected by the issuance of a judgment from a Circuit or Appellate Court in Maryland upon exhaustion of all appeals to which the Parties are legally entitled.

(E) The term "Effective Date," as used herein, means the date on which the Parties complete execution of the Agreement, as evidenced by the latest date that a Party to the Agreement signs and dates the Agreement.

(F) The term "Property Owners," as used herein, shall mean Sherry Bellamy, George Bumbray, John Moses, April Moses, John Davis and Laverne Davis, together with their heirs, assigns, agents, representatives, insurers, and the successors in title to their properties in Arundel on the Bay; the term "Property Owner," as used herein, shall mean either of the Property Owners.

(G) The term "Properties," as used herein, shall mean, collectively, the Bellamy/Bumbray Property, the Moses Property, the First Davis Property and the Second Davis Property; the term "Property," as used herein, shall mean either of the Properties.

(H) The term "Association," as used herein, shall mean the Property Owners Association of Arundel on the Bay, Inc., its predecessors, successors, assigns, and past and present parents, subsidiaries and affiliates, and their respective directors, officers, agents, employees, and insurers.

(I) The term "Association Officers," as used herein, shall mean Frank A. Florentine, Michael Merrigan, R. Rebecca Morris, David Zeman and Barry Dempsey, together with their heirs, assigns, agents and representatives.

(J) The term "Parties," as used herein, shall mean the Property Owners, the Association Officers and the Association, collectively, and each individually; the term "Party," as used herein, shall mean either of the Parties.

(K) The terms "repair," "repairing," "maintain," "maintaining," and "maintenance," whether used together or separately herein, shall mean and be limited to any action

necessary to either return a Disputed Street to its present state as described in subparagraph 4(D), *infra*, or to ensure that the condition of a Disputed Street does not deviate from such present state, except as set forth in paragraph 5(A).

(L) The term “Disputed Streets,” as used herein, shall mean the portions of Chesapeake Walk, Redwood Avenue, Walnut Avenue and Cedar Avenue that abut the Property Owners’ Properties; the term “Disputed Street,” as used herein, shall mean either of the Disputed Streets.

3. *Consideration:*

(A) The Association shall publish the statements set forth in paragraph 14, *infra*, as provided therein.

(B) In consideration of the action to be taken in paragraph 3(A), *supra*, the Parties shall, within three (3) business days after the Execution of the Settlement Agreement, cause their counsel to file an executed Stipulation of Partial Voluntary Dismissal with Prejudice (the “Stipulation”), in the form attached hereto as Exhibit A, in the Quiet Title Action. The Association shall simultaneously publish the Settlement Agreement on the Association’s web page.

(C) Should Final Judgment on the Title Issue in the Quiet Title Action be entered in favor of the Property Owners, the Association shall, within fifteen (15) calendar days of Final Judgment, make a lump sum payment to the Property Owners of Fifteen Thousand Dollars (\$15,000) (the “Settlement Payment”). Such payment shall be hand delivered to Eileen Powers of Blumenthal, Delevan & Williams, P.A., the Property Owners’ counsel of record in the Quiet Title Action.

4. *Easement Agreement:*

(A) The Parties stipulate and agree that, without regard to whether the Property Owners or the Association ultimately succeeds on the Title Issue, all persons who own real property within Arundel on the Bay, as reflected on the AOTB Plat, together with their guests, have a right of ingress and egress and a right of passage over the Disputed Streets for access to platted lots on the Disputed Streets and the Chesapeake Bay, reflecting the historic use of the Disputed Streets, including for walking, fishing, and enjoying the waterfront.

(B) The Parties further stipulate and agree that, without regard to whether the Property Owners or the Association ultimately succeeds on the Title Issue, either the Association or each Property Owner shall have the right, subject to paragraph 5, *infra*, to repair and maintain the portions of the Disputed Streets that bind the Property Owners’ Properties.

(C) The agreement between the Parties with regard to rights of ingress and egress to Chesapeake Walk and the right to maintain and repair the Disputed Streets is more particularly set forth in the Confirmatory Deed of Easement and Agreement attached hereto as **Exhibit B** (the "Easement Agreement"). (Exhibit B contains two alternative Easement Agreements: Exhibit B(1) shall be recorded if the Property Owners prevail on the Quiet Title Action; Exhibit B(2) shall be recorded if the Association prevails on the Quiet Title Action.) The Easement Agreement is hereby incorporated into, and shall become a part of, this Agreement, by this reference.

(D) The Parties hereby declare and affirm that their intent in entering this Agreement and the Easement Agreement is to preserve the Disputed Streets in their present state (i.e., natural (grassy) with regard to Chesapeake Walk and graveled and/or grassy with regard to the relevant portions of Redwood Avenue, Walnut Avenue and Cedar Avenue) in perpetuity. Attached hereto as **Exhibit C** are photographs of the portions of the Disputed Streets that bind the Properties, which photographs have been taken for the purpose of depicting the present state of the relevant portions of the Disputed Streets. Such photographs are hereby incorporated into, and shall become a part of, this Agreement, by this reference. The Parties hereby stipulate and agree that they shall not undertake, or participate in any way in the undertaking of, any repair, maintenance, or other action with regard to any Disputed Street that has the effect of altering the present state of such Disputed Street unless such repair, maintenance, or other action is deemed necessary and, in such event, only after utilizing the Notification and Dispute Resolution procedures set forth herein, up to and including mediation.

5. *Notification of Intent to Repair or Maintain:* The Parties understand and agree that both the Association and the Property Owners have the right to maintain and repair the Disputed Streets. No such repair or maintenance, however, can be undertaken without at least thirty (30) calendar days prior written notice, as follows:

(A) Neither the Association nor any Property Owner, as applicable, shall be required to give notice prior to undertaking any of the following routine maintenance and/or repair actions on the Disputed Streets: (1) cutting, trimming, fertilizing, weeding, aerating and watering the grass; (2) repairing potholes; (3) removing ice and snow; (4) removing junk and debris; and (5) maintaining existing trees, shrubs, plants or other vegetation.

(B) If the Association otherwise intends to conduct "repair" and/or "maintenance" of a Disputed Street, or of the bulkhead and/or rip rap abutting such Disputed Street, such notice shall be generally communicated by publishing such intent, at least thirty (30) calendar days prior to the occurrence of such repair and/or maintenance, in either: (1) an issue of The Pier (the Association's current periodical newsletter to Arundel on the Bay property owners) or of any successor publication to The Pier; (2) an annual budget of the Association or of Arundel on the Bay's Special Community Benefit District and/or Shore Erosion Control District; or (3) minutes of a meeting of either the Board of Directors of the Association or of the General Body of the

Association. Such notice shall also be sent, via first class mail, postage prepaid, or by hand-delivery, to the Property Owner whose Property lies adjacent to the portion of the Disputed Street intended for “repair” or “maintenance.” The notification methods set forth in this paragraph 5(A) shall be the only acceptable methods of notice by the Association under paragraph 5.

(C) If a Property Owner otherwise intends to conduct repair and/or maintenance of a Disputed Street, or of the bulkhead and/or rip rap abutting such Disputed Street, such notice shall be communicated by sending written notice, via first class mail, postage prepaid, to the Association at least thirty (30) calendar days prior to the occurrence of such “repair” and/or “maintenance.”

(D) If the Party(ies) to whom such notice was sent object(s) to such repair and/or maintenance in writing during the notice period, the Association and the affected Property Owner shall submit to dispute resolution, as set forth in paragraph 6, *infra*.

(E) If the Association or a Property Owner intends to repair and/or maintain the bulkhead and/or rip rap abutting any Disputed Street, its notice to the other Party must include the name and business address of the entity with whom the Party has contracted to undertake such repair and/or maintenance, together with a listing of all materials to be used in effecting such repair and/or maintenance, a copy of any plans, blueprints, or other drawings depicting the repair and/or maintenance to be undertaken, and a copy of any permit applications submitted or required to be submitted to any governmental entity or agency regarding such repair and/or maintenance.

6. *Dispute Resolution:* If either the Association or a Property Owner objects (the “Objecting Party”), during the notice period set forth in paragraph 5, *supra*, to proposed repair and/or maintenance of a Disputed Street, such Objecting Party shall send written notice to the Party proposing to undertake such repair and/or maintenance (the “Proposing Party” and, together with the Objecting Party, the “Disputing Parties”) via first class mail, postage prepaid. Upon receipt of the Objecting Party’s objection, the Disputing Parties shall make a good faith effort to resolve the objection. If, after thirty (30) calendar days from the date of notice of the objection, the Disputing Parties cannot resolve the objection on their own, they shall submit their dispute to mediation before a mutually agreeable mediator. Such mediator must satisfy the requirements of Maryland Rules 17-104(a) and (c) and must also be neither a present or former property owner in Arundel on the Bay nor a present or former officer or director of the Association. The Disputing Parties may use the Maryland People’s Law Library’s “Maryland Directory of Dispute Resolution Practitioners”, currently available at <http://adr.mdjustice.org/search/index.asp>, or any other mutually agreeable source, to find a mediator meeting the above qualifications. If the Disputing Parties cannot agree on a mediator, they shall jointly request that the Anne Arundel Conflict Resolution Center, currently located at 2666 Riva Road, Suite 130, Annapolis, MD 21401, (410) 266-9033, appoint a mediator for them. The Disputing Parties shall each bear fifty percent (50%) of the cost of such mediation. If, after a period of sixty (60) calendar days following the date of the initial mediation session the

Disputing Parties are still unable to resolve the dispute, either the Proposing Party or the Objecting Party may pursue any and all legal remedies available to such Party.

7. *Redesignation of Chesapeake Walk:* Within thirty (30) days of the Effective Date, the Association shall cease to designate Chesapeake Walk as a "Community Recreation Area" on any map of Arundel on the Bay published by the Association. To the extent other platted but undeveloped roads in Arundel on the Bay are designated "greenspace" on all current and future maps published by the Association, Chesapeake Walk shall also be designated as "greenspace."

8. *No Additional Discovery:* The Parties hereby stipulate and agree that, except as expressly provided in paragraph 9(B), *infra*, upon the Effective Date, they will cease all further discovery, including, without limitation, deposition discovery, in this matter. The Parties understand and agree that the Title Issue can be submitted to the Circuit Court without the need for additional discovery. The Parties further expressly agree to waive any and all defenses, objections and/or motions which are based on failure to provide discovery and/or lack of adequate discovery. The Parties further agree to withdraw any interrogatories, requests for production of documents, requests for inspection, or notices of deposition that have not yet been responded to by the Party receiving such discovery requests. Notwithstanding any language to the contrary in this paragraph 8, any Party shall be entitled to discovery of any and all documents relied upon by another Party in connection with any motions filed pursuant to paragraph 9(A), *infra*, and/or in connection with any trial in this matter, to the extent that such documents have not previously been produced.

9. *Resolution of Title Issue:*

(A) The Parties hereby agree to file cross-motions for summary judgment with regard to the Title Issue on the 10th day of August, 2007. The Parties may also file cross-oppositions to such motions for summary judgment pursuant to the applicable Maryland Rules. Further, the Parties may file sur-replies if the Parties deem such additional briefing necessary and if the Circuit Court permits such additional briefing.

(B) In connection with the motions contemplated by subparagraph 9(A), *supra*, the Parties may attach affidavits from any person, including expert witnesses, to any motion for summary judgment and may also attach counter-affidavits from any person, including expert witnesses, to any opposition to a motion for summary judgment. Any Party shall be entitled to discovery of any and all documents relied upon by another Party's expert in connection with such affidavit, to the extent that such documents have not previously been produced.

(C) Upon entry of a final judgment by the Circuit Court with regard to the Title Issue, the Party(ies) against whom such final judgment is/are issued shall be permitted, but not required, to note any available appeals of the Circuit Court's judgment to appellate courts in Maryland, as set forth in applicable Maryland law. If the Party(ies) entitled to such appeals fail(s) to

note any such appeal within the timeframe allowed by the applicable Maryland Rules, the final judgment entered by the Circuit Court (or by any appellate court that has rendered a final judgment in the Quiet Title Action, should such Party(ies) seek any appeal) shall be deemed a Final Judgment, thereby triggering the Settlement Payment set forth in subparagraph 3(C), *supra*, if applicable.

10. *No Admissions of Liability or Fault:* The Parties stipulate and agree that this Agreement is made in compromise of disputed claims and that neither this Agreement nor actions undertaken pursuant hereto shall be construed as or deemed to be an admission of liability or fault by any Party.

11. *Representations and Warranties of Association:* The Association represents and warrants that it has all required power and authority to enter into and perform this Settlement Agreement.

12. *Representations and Warranties of the Parties:* The Parties understand and agree that the purposes of this Agreement are to: (1) fully resolve and settle all present disputes with regard to use of the Disputed Streets, as reflected in Count VI of the Property Owners' Complaint and Count III of the Association's Counterclaim filed in the Quiet Title Action, and with regard to ownership of the Bellamy/Bumbray Property, as reflected in Count V of the Property Owners' Complaint; and (2) litigate only the Title Issue, as presently before the Court, until Final Judgment is rendered in the Quiet Title Action. The Parties further understand and agree that, (1) should Final Judgment be rendered in favor of the Property Owners, the Property Owners shall, pursuant to paragraph 3(C), *supra*, be paid in settlement the sum of \$15,000, and no other monetary damages of any nature shall be recoverable by the Property Owners or their insurers arising out of issues or claims of any kind which were or could have been raised and/or brought in the litigation filed in the above-captioned matter; and (2) should Final Judgment be rendered in favor of the Association, the Association is not entitled to any damages and there shall be no monetary recovery of any nature by the Association or its insurer arising out of issues or claims of any kind which were or could have been raised and/or brought in the litigation filed in the above-captioned matter against the Property Owners. The Parties represent and warrant that only the Title Issue as presently before the Court will be litigated by the Parties and that, upon entry of a Final Judgment, the Parties shall enter into a release as set forth in **Exhibit D** to ensure that neither Party may bring any subsequent action asserting any claims or issues that could have been brought and/or litigated in the Quiet Title Action, regardless of whether the availability of such claims or issues are known or unknown as of the date of Final Judgment.

13. *Special Release:* In consideration of the covenants set forth in this Settlement Agreement, the receipt and sufficiency of which are hereby acknowledged, and except as otherwise expressly provided in this Settlement Agreement, the Property Owners George Bumbray and Sherry Bellamy, the Association Officers and the Association for themselves and their heirs, successors, legal representatives and assigns and insurers, expressly releases the other, and their heirs,

and assigns, from any and all claims, charges, suits, debts, dues, demands, grievances, sums of money, rights, damages, liabilities, proceedings, actions and causes of action of any kind, nature or character which relate to and/or arise out of Count V (Slander of Title) of the Property Owners' Complaint.

14. *Public Statements:*

(A) The Parties agree to disclose the substance of this agreement by publishing the following statement verbally at the next general body and board of directors meeting of the Association, and in writing in the next issue of The Pier (or any successor publication to The Pier) following the Effective Date: "The Parties announce a partial resolution of the Chesapeake Walk Litigation. The Settlement Agreement and related exhibits can be found on the Association's website at <http://poaaotb.googlepages.com/index2.html> under 'Chesapeake Avenue Litigation.' All members of the Association and their guests have the right to ingress and egress and a right of passage over the Disputed Streets for access to platted lots on the Disputed Streets and the Chesapeake Bay, reflecting the historic use of the Disputed Streets, including for walking, fishing and enjoying the waterfront." The Settlement Agreement and associated exhibits shall be made available to all members of the Association by publication on the website and as otherwise required under the Association's rules and regulations. The Association shall not otherwise summarize or characterize the Settlement Agreement in the written disclosures set forth in this Paragraph (A).

(B) The Association shall publish, in next issue of The Pier (or any successor publication to The Pier) following the Effective Date, and on the current website for the Association, within fifteen (15) days of the Effective Date, the following statement relating to the Bellamy/Bumbray Property: "The Association does not have or claim any rights to or interest in the property known as 3402 Chesapeake Walk, Lots D and E, Block 3 Arundel on the Bay as shown on the record plat recorded among the Land Records for Anne Arundel County at Liber SH 37 folio 509 and as amended in 1927, currently owned by Sherry Bellamy and George Bumbray, including any portion of their front yard adjoining Chesapeake Walk or any portion of their side yard and bulkhead adjoining the water, as shown on the plat prepared by Graden A. Rogers, which plat is attached as Exhibit E to the Settlement Agreement. Chesapeake Walk no longer intersects with Cedar Avenue, since a portion of both roads has been lost to erosion."

15. *Responsibility for Costs:* The Parties stipulate and agree that, except as otherwise expressly provided in this Settlement Agreement, each Party shall be responsible for its own costs, expenses and legal fees incurred in connection with the prosecution, defense and settlement of the Quiet Title Action, or of any portion thereof, including, without limitation, the negotiation of this Settlement Agreement.

16. *Expenses incurred in Enforcement of this Agreement:* If any litigation is instituted for the purpose of enforcing or interpreting any provision of this Agreement, the prevailing

Party or Parties, as determined by the Court having jurisdiction thereof, which Court is expressly set forth in paragraph 25 hereof, shall be entitled to recover, in addition to all other relief, an amount equal to all reasonable attorney's fees, costs and expenses incurred in such litigation. Engaging in the Dispute Resolution procedures pursuant to paragraph 6, *supra*, shall not entitle any Party to recover their attorney's fees, costs and expenses from the other Party.

17. *Entire Agreement*: This Agreement sets forth the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof, and shall supersede all prior discussions, agreements, and understandings of every kind and nature between them, whether written or oral.

18. *Headings*: The headings contained in this Agreement have been inserted for convenience of reference only and shall not constitute a part of or be given any effect in the construction or interpretation of this Agreement.

19. *Advice of Counsel*: The Parties acknowledge that they and their respective legal counsel actively participated in the negotiation and drafting of this Agreement. In the event that any ambiguity or question of intent or interpretation arises, or in the event of any dispute between the Parties with respect to the provisions hereof, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions hereof.

20. *Read and Understood*: The Parties acknowledge that (a) they have read this Agreement in its entirety and understand all of its terms and conditions and have had an opportunity to reflect upon and consider the terms and conditions of this Agreement; (b) they have had the opportunity to consult with any individuals of their choice regarding their agreement to the provisions contained herein, including legal counsel of their choice; (c) they are entering into this Agreement of their own free will, without coercion from any source; and (d) they have determined that this Agreement is fair and reasonable, is not the result of any fraud, duress, or undue influence exercised by any of the Parties or by any other person, and has been voluntarily executed.

21. *Binding*: The rights and obligations of the Parties under this Agreement shall be binding upon and inure to the benefit of their agents, servants, employees, shareholders, officers, directors, assigns, attorneys and insurers.

22. *Alteration*: This Agreement may not be altered, amended, modified, or terminated except by an instrument in writing executed by the Parties.

23. *Reliance*: Each of the Parties represents and acknowledges that, in executing this Agreement, no reliance has been placed upon any representation or statement made by or on behalf of any other Party with regard to the subject matter, basis, or effect of this Agreement.

24. *Execution/Originals:* This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.


25. *Applicable Law:* This Agreement is made in the State of Maryland and shall be interpreted and construed in accordance with the laws of the State of Maryland without regard to principles of conflicts of laws. The venue of any legal proceeding brought in connection with this Agreement or any aspect of the relationship between the Parties shall be the Circuit Court of Maryland for Anne Arundel County.

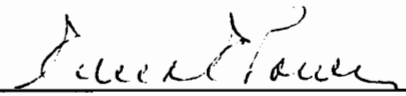
IN WITNESS WHEREOF, the Parties hereto have executed, or caused their duly authorized representatives to execute this Agreement, as of the day and year indicated below.


WITNESS:



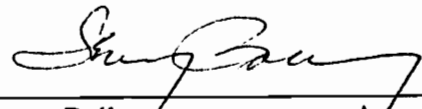




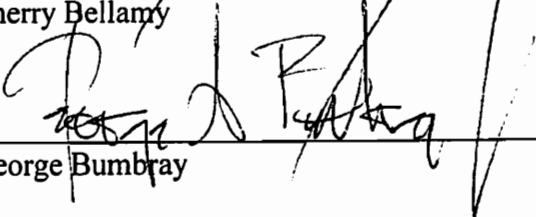




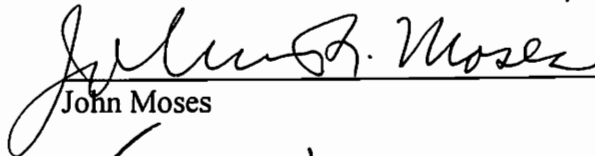





Sherry Bellamy



George Bumbrey



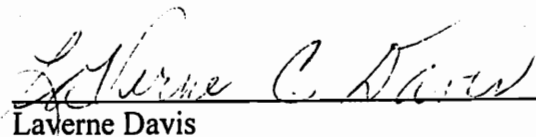
John Moses



April Moses



John Davis



Laverne Davis

WITNESS

PROPERTY OWNERS ASSOCIATION OF
ARUNDEL ON THE BAY, INC.

Robert Merrill

By: [Signature]

Robert Merrill

[Signature]
Frank A. Florentine

Robert Merrill

[Signature]
Barry Dempsey

Robert Merrill

[Signature]
R/ Rebecca Morris

Robert Merrill

[Signature]
David Zeman

Robert Merrill

[Signature]
Michael Merrigan

SHERRY BELLAMY, <i>et al.</i> ,	*	IN THE CIRCUIT COURT
Plaintiffs	*	FOR
v.	*	ANNE ARUNDEL COUNTY,
PROPERTY OWNERS ASSOCIATION	*	MARYLAND
OF ARUNDEL ON THE BAY, INC.,	*	Case No. C-06-115184 IJ
<i>et al.</i> ,	*	
Defendants	*	

* * * * *

**STIPULATION OF
PARTIAL VOLUNTARY DISMISSAL WITH PREJUDICE**

Pursuant to Maryland Rule 2-506(a), all parties to this proceeding, by and through their undersigned counsel, hereby stipulate that Counts V and VI of Plaintiffs’ Second Amended Complaint, and Count III of the Defendants’ Counterclaim be, and hereby are, dismissed with prejudice. The remaining counts in the Second Amended Complaint and the Counterclaim remain pending.

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ATTORNEYS FOR PLAINTIFF

EXHIBIT A

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ATTORNEYS FOR DEFENDANTS