

PUBLIC/PRIVATE PARTNERSHIP AGREEMENT

THIS AGREEMENT is made this 23rd day of November, 2004, by and between THE HOWARD COMMUNITY COLLEGE EDUCATIONAL FOUNDATION, INC., a Maryland corporation ("HCCEF") and HARRY L. LUNDY JR. ("LUNDY").

WHEREAS, HCCEF's mission "is to raise funds to advance and support the programs and facilities of Howard Community College, to support equal access, and to ultimately make the college the pre-eminent institution of its kind; and to carry out its mission, HCCEF engages the advice and support of private citizens who share the vision of a vibrant community college, and

WHEREAS, the concept of a public/private partnership is hereby brought to bear in the acquisition of approximately 68.25 acres of land, known generally as Belmont Conference Center, 6555 Belmont Woods Road, Elkridge, Maryland ("Belmont") and certain real property in Howard County, Maryland, consisting of approximately 13.52 acres of land, generally known as the Dobbin property ("Dobbin Property"); and

WHEREAS, Belmont provides a unique opportunity for Howard Community College to establish a site in eastern Howard County, continue the valuable conference and special event services previously offered by the American Chemical Society, Inc. ("ACS"), expand the educational opportunities for students, and create an outstanding learning facility for Howard County residents; and

WHEREAS, due to the fiscal limitations of state and local government, innovative thinking is needed to make the college's vision for Belmont a reality, and this Agreement with Lundy, as the private partner in this public/private partnership, is made to secure that reality; and

WHEREAS, HCCEF has the contractual right to purchase Belmont and the Dobbin Property from the ACS (See Exhibit "A" - "Belmont and Dobbin Property") for an aggregate price of \$5,211,000; and

WHEREAS, LUNDY is prepared to provide certain financial assistance such that HCCEF shall ultimately own Belmont less approximately 20 acres of real property and less the Dobbin Property (the "Optioned Property", as more particularly defined herein) free of all debt and encumbrances subject to the conditions and provisions of this Agreement; and

WHEREAS, in entering into this Agreement, it is the objective of HCCEF to permit limited development of the Optioned Property to allow for the economic viability of maintaining Belmont as a resource for Howard County, provided that such development will be for an adult-restricted community that will be designed to take full advantage of its proximity to an educational facility operated by Howard Community College.

NOW THEREFORE BE IT AGREED:

1. HCCEF shall take all timely actions to complete the acquisition of Belmont and the Dobbin Property from ACS on or before November 30, 2004. HCCEF shall finance the acquisition with a loan from a commercial lender on terms and conditions satisfactory to HCCEF (the "Loan"). LUNDY shall not be a party to the Loan in any capacity; i.e. neither as a co-obligor nor as a guarantor.
2. In order to assist in the acquisition of Belmont and the Dobbin Property as set forth in Paragraph 1 above, LUNDY, who has already advanced \$100,000.00 to HCCEF for the project, shall contribute an additional \$900,000.00 to HCCEF at the closing of HCCEF's purchase of Belmont and the Dobbin Property. It is expected that HCCEF will finance the balance of the purchase price for Belmont and the Dobbin Property with the Loan proceeds, and that the Loan may be secured with a deed of trust encumbering Belmont and the Dobbin Property, subject to the provisions of Section 8.
3. HCCEF shall hold exclusive title to Belmont and the Dobbin Property, subject to the lien of HCCEF's lender, and shall be responsible for all insurance, maintenance and related expenses except as specifically set forth in this Agreement. HCCEF may enter into a lease for the use of Belmont with an affiliated entity or any other person or entity, and it is expected that any such lease will be pledged to the lender described in Section 1 to secure the Loan, subject to the provisions of Section 8.
4. As soon as practicable after the acquisition of Belmont and the Dobbin Property, LUNDY shall, on behalf of HCCEF, with the participation of HCCEF, but at LUNDY's expense, (a) seek all necessary approvals to subdivide and develop the approximate 20 acres of Belmont for residential housing; (b) obtain necessary consents and approvals (including filings and hearings before the Department of Planning & Zoning, the Department of Licensing & Regulation, the Maryland Historical Trust, and the Howard County Liquor Board); and (c) construct any improvements on Belmont and the Dobbin Property that are necessary to complete the subdivision process. In addition, LUNDY will negotiate and/or facilitate the exchange or swap of the Dobbin Property for other property owned or controlled by the Maryland Department of Natural Resources ("DNR"). HCCEF shall cooperate fully with LUNDY in such undertakings and will permit all applications and similar filings to be prepared and submitted in the name of HCCEF as owner of Belmont and the Dobbin Property. LUNDY shall be given broad discretion to implement such processes consistent with the objectives of this Agreement; provided, however, that any such development shall be (i) subject to the prior written approval of HCCEF, which approval shall not be unreasonably withheld or delayed, and (ii) performed in compliance with all applicable federal, state and local laws, statutes, regulations, ordinances, codes, orders and recorded easements, covenants and restrictions.
5. LUNDY shall establish, as a priority, the installation of a road connecting Landing Road to the Belmont Conference Center Building. Such connecting road will be constructed by Howard County through an agreement between HCCEF and Howard County. In order to facilitate and expedite the construction of this road, if Howard County does not assume

responsibility for all costs associated with the construction of said road, LUNDY agrees to reimburse Howard County for any and all such reasonable costs at such time as the developer's agreement with Howard County is completed or at any other such time as may be agreed upon by the parties hereto and Howard County.

6. HCCEF grants to LUNDY an irrevocable option (the "Purchase Option") to acquire the approximate 20 acre residential real estate portion of Belmont (See Exhibit "B" - "Approximately location of the 20 acres") and the Dobbin Property (or if the Dobbin Property is exchanged, the successor property to Dobbin) (collectively, the "Optioned Property") for the purchase price of \$4,211,000.00; provided that LUNDY will be responsible, at his expense, but with HCCEF's cooperation, for any subdivision costs associated with configuring the Optioned Property in such a manner that the Optioned Property may be transferred as a separate parcel or parcels. This purchase price recognizes that the original acquisition cost of Belmont and the Dobbin Property of \$5,211,000.00 was subsidized and reduced by the prior advance by LUNDY of \$1,000,000.00. Closing on the Optioned Property shall occur within 90 days after LUNDY notifies HCCEF that LUNDY is exercising the Purchase Option. The Purchase Option must be exercised on or before December 31, 2007, time being of the essence, or it shall be terminated and be without further force and effect.
7. LUNDY may, at his sole option, on or before December 31, 2007, elect to terminate the undertakings described in Section 4 above ("Termination Option"). Such Termination Option will be exercised by LUNDY by giving written notice thereof to HCCEF by December 31, 2007. In the event LUNDY should exercise the Termination Option, the Purchase Option described in Section 6 shall immediately terminate and LUNDY's obligations under Sections 4 and 9 (other than any payment obligations that may have accrued as of the date of such exercise) shall cease 180 days after LUNDY gives HCCEF written notice of his exercise of the Termination Option. Within 180 days after HCCEF receives notice of LUNDY's exercise of the Termination Option, HCCEF shall refund to LUNDY the sum of \$1,000,000.00, unless LUNDY, at his sole option, requests the transfer to him of the Dobbin Property (or if the Dobbin Property is exchanged, the successor property to the Dobbin Property) in full satisfaction of any obligations hereunder. Such transfer shall be subject to the terms and conditions set forth in Section 8 of this Agreement.
8. If LUNDY acquires the Optioned Property pursuant to the provisions of Section 6 or acquires the Dobbin Property (or the successor property to the Dobbin Property) pursuant to the provisions of Section 7 (in either case, referred to in this Section as the "property"), LUNDY will acquire the property, by special warranty deed, in its "AS IS" condition, without representation or warranty, except that the property shall be free and clear of all liens, judgments, mortgages, deeds of trust, security interests, and security instruments, but subject to the following permitted encumbrances: (a) covenants and other documents of record which restrict or prohibit the use of the property, including the Deed of Architectural and Scenic Easement, dated September 7, 1983, and recorded in the Land Records for Howard County, Maryland; (b) utility and other easements and rights-of-way of record that do not materially adversely affect the fair market value of the property, as

determined in LUNDY's reasonable discretion; (c) any lien or encumbrance that existed prior to HCCEF's purchase of Belmont and the Dobbin Property, including, without limitation, any title exception or other matter disclosed or described in the title exceptions contained in the Title Insurance Commitment, dated October 14, 2004 (revised) (Commitment No. 1492COM) issued by Stewart Title Guaranty Company in connection with HCCEF's purchase of Belmont and the Dobbin Property, a copy of which has been provided to LUNDY; and (d) any other matters to which LUNDY may consent in writing. LUNDY expressly assumes the risk that zoning laws and ordinances, building use and occupancy restrictions, historic and scenic easements, as well as all other restrictions of record may restrict or prohibit the use of the property for the purposes intended by LUNDY. LUNDY will be responsible for paying all costs associated with such acquisition, including transfer and recordation taxes and agricultural transfer taxes and all costs associated with configuring the property in such a manner that the property may be transferred as a separate parcel or parcels. All real property taxes, general and special, and other public or governmental and quasi-governmental charges or assessments against the property, and other amounts properly allocable to LUNDY as of settlement, will be adjusted and apportioned as of the date of settlement and shall be assumed and thereafter paid by LUNDY.

9. In order to assist HCCEF in making debt service payments in connection with the Loan, LUNDY shall contribute to HCCEF twelve (12) quarterly installments of \$25,000.00 each beginning on March 31, 2005 and continuing for each quarter thereafter (i.e. June 30, 2005, September 30, 2005, etc.) with the last such quarterly installment due on December 31, 2007; provided, however, that if LUNDY exercises the Termination Option, and such contributions exceed \$200,000.00, HCCEF will repay LUNDY, without interest, the amount by which such contributions exceed \$200,000.00, within 12 months after LUNDY gives the notice of exercise of the Termination Option. Such amounts due to LUNDY will be evidenced by HCCEF's promissory note, without interest, in form and content reasonably acceptable to LUNDY and his legal counsel. Further, LUNDY shall provide advice and other monetary assistance (up to a maximum of \$50,000.00) to HCCEF in the renovation and remodeling of the manager's residence located at Belmont to accommodate overnight guests at Belmont, provided that the timing and amounts of such advice and monetary assistance shall be determined by HCCEF in its discretion. Payment of the amounts contemplated in this Section 9 shall not be deemed to reduce the purchase price for the Optioned Property set forth in Section 6 or to otherwise reduce or diminish any other monetary obligation of LUNDY hereunder.
10. HCCEF shall cooperate fully with LUNDY in any reasonable tax strategy consistent with the transactions contemplated by this Agreement; provided, however, that such cooperation shall not (i) be at any cost to HCCEF, (ii) alter the terms of this Agreement or affect HCCEF's rights hereunder, (iii) result in any tax or other liability to HCCEF, or (iv) jeopardize HCCEF's status as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code or otherwise affect its status as an organization to which contributions are deductible under Section 170(c)(2) of the Internal Revenue Code.

11. LUNDY may assign his rights under this Agreement to any entity in which he has direct or beneficial ownership of 50% or greater including, but not limited to, Williamsburg Group LLC and/or The Lundy Family Foundation, provided that LUNDY and such assignee executes and delivers to HCCEF an instrument, in form reasonably acceptable to HCCEF and its counsel, whereby such assignee assumes all of the obligations of LUNDY hereunder. If LUNDY should die prior to making any such assignment, his rights under this Agreement shall be deemed to have been assigned to Williamsburg Group LLC, provided that Williamsburg Group, LLC executes and delivers to HCCEF the foregoing instrument whereby Williamsburg Group, LLC assumes all of the obligations of LUNDY hereunder.
12. HCCEF may transfer title to the Belmont and the Dobbin Property to a subsidiary or affiliate of HCCEF, and in connection therewith may assign its rights under this Agreement to such assignee, provided that HCCEF and such assignee executes and deliver to LUNDY an instrument, in form reasonably acceptable to LUNDY and his counsel, whereby such assignee assumes all of the obligations of HCCEF hereunder.
13. This Agreement shall not be effective unless and until it has been ratified and approved on or before November 18, 2004 by the Board of Directors of HCCEF.
14. This Agreement shall be governed and interpreted under the laws of the State of Maryland.
15. Any notice hereunder (a) shall be in writing; and (b) shall be deemed to have been received either (i) when delivered by hand to the receiving party when the party giving such notice has received a signed receipt therefor, or (ii) when delivered by the United States postal service, postage prepaid, or by a recognized commercial air or local courier service, addressed as follows (or addressed in such other manner as the party being notified shall have requested by such written notice to the other party), or to such other address designated by the receiving party in the manner set forth herein:

If to HCCEF:

The Howard Community College Educational Foundation, Inc.
10901 Little Patuxent Parkway
Columbia, Maryland 21044
Attn: Mary Ellen Duncan, Secretary

If to LUNDY:

Harry L. Lundy, Jr.
c/o Williamsburg Group
P.O. Box 1018
Columbia, Maryland 21044

Notices shall be deemed given and received on the next business day following the day such notice is mailed or sent by overnight courier in the manner described above, or, if personally delivered on the date so delivered. Any time period shall commence on the day such notice is deemed given and received. For purposes of this Agreement, the term "business day" shall include all days other than Saturdays, Sundays and federal banking holidays.

16. This Agreement constitutes the entire agreement between the parties and there are no representations, warranties or commitments except as set forth herein. This Agreement supersedes all prior and contemporaneous agreements, letters of intent, understandings, negotiations and discussions, written or oral, of the parties hereto, relating to the transactions contemplated by this Agreement. This Agreement may be amended only in writing executed by the parties hereto affected by such amendment.
17. There shall be no recourse by either party hereto against the other party by reason of the fact that the execution or consummation of this Agreement or of any transaction contemplated hereby has or does not have any particular tax consequence, except as may be expressly provided herein.
18. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.
19. Neither party shall be considered as the partner, co-venturer or agent of the other party. Neither party shall be liable for the debts or obligations incurred by the other, except as may be expressly provided herein.

IN WITNESS WHEREOF, the parties have put their hands and seals on the date first above written.

THE HOWARD COMMUNITY COLLEGE
EDUCATIONAL FOUNDATION INC

By: Barbara Van Winkle 11/9/04
Name: Barbara Van Winkle
Title: Chair

Harry L. Lundy, Jr. 11/8/04
HARRY L. LUNDY, JR.