OFFICE OF THE GENERAL COUNSEL

(301) 495-4646 FAX (301) 495-2173

December 6, 2000

Barbara A. Sears, Esquire Linowes and Blocher LLP 1010 Wayne Avenue, 10th Floor Silver Spring, Maryland 20910-5600

RE: Hoyles Mill Village, Phases 1 and 2; Site Plan Nos. 8-95027, 8-95030

Dear Ms. Sears:

I am writing in response to your November 28, 2000 letter to Charles Loehr, proposing a means to allow Toll Brothers, Inc. ("Toll") and Artery Hoyles Mill LLC ("Artery") to go to closing on December 1, 2000 (copy attached as <u>Exhibit "A"</u>). The Commission is willing to agree to the terms of the letter subject to the following modifications:

- 1. To deal with any impervious area issues associated with Section 1, Artery agrees to execute and record a restrictive covenant for the Hargett Parcel, containing approximately 6 acres as shown on <a href="Exhibit" B" ("Hargett Parcel"). The covenant shall be binding on successors and assigns and shall provide that no clearing, grading or construction shall be undertaken on the Hargett Parcel until the impervious issues on Section 1 of the above-referenced property are resolved between Artery and the Commission.
- 2. Toll Brothers must provide to the Commission monitoring reports for Section 2 development at stages that correspond to the release of the 56th, 112th and 168th building permits for Section 2 (225 single family lots owned by Toll). The reports must detail the (i) actual impervious area constructed in each stage at the date of the report [i.e., house footprints, roadways (excluding Schaeffer Road, Richter Farm Road, and Leaman Farm Road), driveways and sidewalks], (ii) estimated impervious area for lots for which building permits have been issued in each stage but not yet constructed, and (iii) impervious area proposed for future stages (as shown on the approved Section 2 Site Plan). The Commission will not release building permits for each of the stages until the reports are submitted to the Commission for the previous stage. If the impervious area for Section 2 calculated in this manner exceeds the impervious area limits applicable to Section 2 after release of the 112th building permit (50% completion of the Section 2 development), the Commission may require Toll to submit monitoring reports on a more frequent basis as determined by Staff but not more often than every 30th building permit. After release of the 200th building permit, Staff may further require review and approval of imperviousness as part of

each remaining building permit or withholding release of a number of the remaining permits pending demonstration that the imperviousness requirement has been met. Toll agrees that the last 20 lots for which building permits will be sought shall consist of Lots 1-7, Block R, 13-23, Block U, and 7 and 8, Block Q, as shown in cross-hatch on Exhibit "B". The Commission may seek to require a restrictive covenant to preserve in perpetuity any impervious deficit in Section 2.

- 3. By executing this letter neither Artery nor Toll waives any of their legal or equitable remedies with respect to their ability to challenge the Commission's final impervious calculations and/or enforcement actions related thereto, for Section 1, Section 2, and/or the Hargett Parcel, as applicable.
- 4. The parties agree that any impervious area which exceeds the required impervious area attributable to each Section shall not be deemed a deficit against the other Section or the Hargett Property.
- 5. This letter must be countersigned by authorized representatives of Toll Brothers and Artery Hoyles Mill LLC, confirming acceptance of these terms.

If you have questions or need additional information, please call me at (301) 495-4646.

Sincerely,

Michele Rosenfeld

Associate General Counsel

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cc: Charles Loehr, Director of Park and Planning
Catherine Conlon, Environmental Planning Division

COUNTER-SIGNATURE PAGE TO FOLLOW

Barbara A. Sears, Esq. December 5, 2000 Page 3

The undersigned authorized signatories accept the terms of this letter:

Name:

Title: 5n. U-P

Artery Hoyles Mill LLC

Name

Title. V.

Toll Brothers, Inc.

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LINOWESANDBLOCHER

1010 Wayne Avenue, Tenth Floor Sälver Spring, MD 20910-5600 301.588.8580 Fax 301.495.9044 Websita: www.linowes-law.com

November 28, 2000

Barbara A. Sears 301.650.7057 bas@linowes-law.com

BY HAND DELIVERY

Mr. Charles Loehr Director of Planning Montgomery County Planning Board 8787 Georgia Avenue Silver Spring, Maryland 20910-3760

Re: Hoyles Mill Village, Phases 1 and 2; Site Plan Nos. 8-95027, 8-95030

Dear Mr. Loehr:

It is our understanding from your voice-mail message of yesterday that further investigation of matters contained in our letter to you dated November 15, 2000 needs to be undertaken by Staff in order to respond to the letter. As we discussed, the settlement of the Toll Brothers Artery litigation provides for closing on the sale of the Section 2 single-family detached lots to Toll Brothers ("Toll") on Friday, December 1, 2000. Your message further indicated that the Staff questions were of a nature that the December 1, 2000 date for a response from staff would probably not be met.

In order to preserve the December 1, 2000 closing date, Artery suggests that, until the impervious issue can be resolved, Artery hereby agrees to withhold development on 15 lots in Section 2. Specifically, these lots would include: Lots 1 through 7, Block Z, Lots 1 through 4, Block AA, and Lots 51 through 54, Block B. The set-aside of these 15 lots would not only cover the 27,960 square feet of projected increased impervious area from the approved site plans, but an additional approximate 25% buffer above the 27,960 square feet. Both Park and Planning and Artery would retain their respective positions with regard to impervious area until the impervious area calculations can be confirmed by Staff.

In exchange for the set-aside, Park and Planning hereby agrees to consent to the issuance of building permits for the other Phase 2 lots not identified in this letter as the 15 set-aside lots. This agreement will not prevent Artery from contesting the final position of Park and Planning on the impervious issue if unfavorable to Artery, nor compromise any decision Park and Planning may make on the November 15, 2000 letter. This agreement will provide security to Park and Planning that the 21% impervious area viewed by Staff as a cap would not be exceeded if Park and Planning rejects Artery's November 15, 2000 proposal. Additionally, Artery agrees that Section 2 may be monitored as provided in the November 15, 2000 letter.

We believe that this mechanism for proceeding is fair to all parties and allows the closing with Toll to proceed on December 1, 2000 and, hence, the major obstacle currently

Aanaoolia

Columbia

frederick

Greenbolt

Silver Spring

Washington, DC

EXHIBIT A

Mr. Charles Loehr November 28, 2000 Page 2

preventing the Development District from moving forward to be averted. Since Artery and Toll are currently meeting on the details of closing, we would ask that, if you agree with this interim method of proceeding, you indicate your agreement below.

Thank you for your continued cooperation in this matter.

Very truly yours,

LINOWES AND BLOCHER LLP

Barbara A. Sears

for Artery Hoyles Mill LLd

SEEN AND AGREED TO:

MONTGOMERY COUNTY PLANNING BOARD

Charles Loehr

Director of Planning

cc: Michele M. Rosenfeld, Esq. Ms. Catherine Conlon Mr. Hayes McCarty Mr. Alan Stackman Mr. Bernie Rafferty

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