

UTILITY RIGHT-OF-WAY EASEMENT

QUEEN ANNE'S COUNTY

THIS DEED OF EASEMENT is made this 1st day of July, 2000, by and between Mallard Run, L.L.C., the undersigned, hereinafter "Grantor", and Maryland Gas Service, LLC, a Maryland LLC, hereinafter "Grantee";

WITNESSETH, that for and in consideration of the sum \$100.00 and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Grantor does grant and convey unto the Grantee, its associated and affiliated companies, and their respective successors, assigns and licensees, a perpetual Right-of-Way Easement to construct, operate, maintain, enlarge, modify, replace, and remove telecommunication, telephone, cable, television, internet and electric systems, gas systems, gas tanks, water and wastewater systems, and all other utility systems, and including the necessary poles, braces, anchors and guys, conduits, manholes, cables, wires, terminals, pedestals, and the like, and fixtures upon, under, over and through the Property of the undersigned Grantor, said Property and the easement area being more specifically described as follows:

DESCRIPTION OF GRANTOR'S PROPERTY:

35.752 acres of land, more or less, the Lands of White Pines, Fourth Election District, Queen Anne's County, Maryland, and more particularly described in a deed to the Grantor dated October 11, 1999, and recorded among the land records of Queen Anne's County at Liber 701 Page 592. And further known as Mallard Run Subdivision, per plat thereof recorded among the Plat Records of Queen Anne's County.

STAMP #	3.00
RECORDING FEE	25.00
TOTAL	28.00
Rest Cash	Recpt # 26533
SM JGC	Blk # 1484
Dec 22, 2000	10:25 am

DESCRIPTION OF UTILITY EASEMENT AREA AND RIGHT-OF WAY:

A parcel or parcels to be designated and located in the "Open Space" area of the subdivision not to exceed one acre plus a ten foot wide useable easement leading from said parcel or parcels to the street or streets designated or to be designated on the plats of subdivision. Said parcel and ten (10) foot wide easement to be designated by the grantee at any time during the term of this utility right-of-way easement by setting forth said area as the designated parcel with the ten foot easement by recording a plat as an amendment or exhibit to this utility right-of-way easement; and also a ten foot wide useable easement across the front, rear or side lot lines of all lots in the subdivision where such front, rear or side lot lines abut roads and lanes and alleys, and a five foot wide useable easement along all other front, rear or side lines on all lots in the subdivision that do not abut roads, lanes or alleys, to allow for telecommunication, telephone, cable, television, internet and electric systems, gas systems, gas tanks, water and wastewater systems and facilities placement.

Grantee, and its associated and affiliated companies, and their respective successors, assigns and licensees, is and are specifically granted the right to cross any street, roadway in the subdivision as well as any front, side or rear lot line of all lots in the Subdivision to serve that lot and property and/or any adjacent lot and property. To the extent possible, Grantee, and its associated and affiliated companies, and their respective successors, assigns and licensees, agrees

to locate its systems and facilities adjacent to lot lines so as to not unduly interfere with the location of houses and other improvements on the lots. Notwithstanding the foregoing, if houses and other improvements on the lots are constructed in places that unduly interfere with the location, repair or replacement of telecommunication, telephone, cable, television, internet and electric systems, gas systems, water and wastewater systems and facilities, the owner of the lot shall bear all costs and expenses of the removal of the interfering improvements.

Together with the right of ingress and egress onto all of the lots and to said systems and facilities at all times, and the right to trim, top or cut trees adjacent to lines and poles sufficiently for the safe and proper operation and maintenance thereof. And together with the right to maintain said Utility Easement and Right-of-Way and parcel of land at all times in such manner as in Grantee's determination appears necessary for the care and preservation of the systems and facilities.

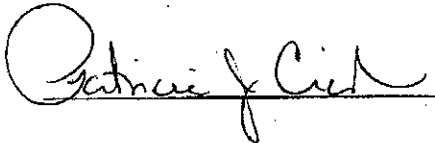
The Grantee, and its associated and affiliated companies, and their respective successors, assigns and licensees, agrees to repair all damage to lawns, fields, fences, driveways and walkways (but no other improvements) arising from the construction and maintenance of the aforesaid systems and facilities within the ten foot and five foot Right-of-Way Easements, except where such damage is not attributable to the actions of the Grantee, its employees or agents, or its successors or assigns or licensees or the employees or agents thereof.

And the Grantor agrees and grants to the Grantee the power to assign all or a portion of this Right-of-Way Easement, or to grant full or partial licenses to use the Right-of-Way Easement, or to grant additional utility easements within the Right-of-Way Easement Area.

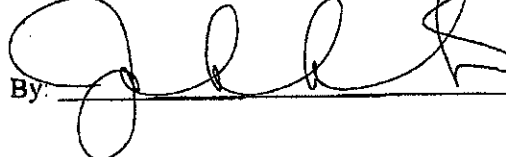
And the Grantor and Grantee, for themselves and their respective successors and assigns and licensees, mutually agree that the granting of this Right-of-Way Easement does not convey any interest in or to any mineral rights.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals.

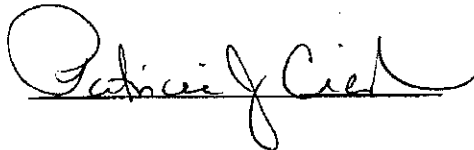
ATTEST/WITNESS:



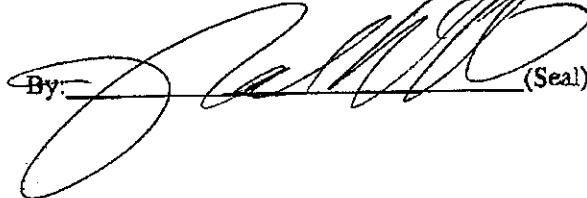
GRANTOR- MALLARD RUN, L.L.C.

By:  (Seal)

ATTEST/WITNESS:



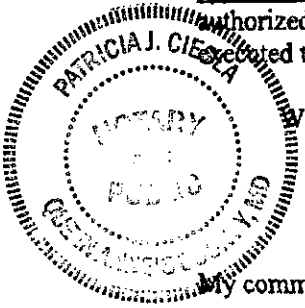
GRANTEE- MARYLAND GAS SERVICE, L.L.C.

By:  (Seal)

LIBERO 771 FOLIO 105

STATE OF MARYLAND, COUNTY OF QUEEN ANNE'S TO WIT:

I HEREBY CERTIFY that on this 1st day of JULY, 2000, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared JAMES V. DiDONATO, and acknowledged the foregoing instrument to valid and duly authorized act and deed on his own behalf or on behalf of the company for whom he or she executed this instrument.



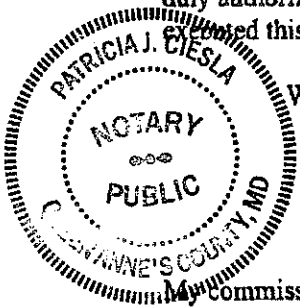
WITNESS my hand and Notarial Seal the day and year set forth above.

Patricia J. Ciesla  
Notary Public

My commission expires: 11-1-01

STATE OF Maryland, COUNTY OF Queen Anne's, TO WIT:

I HEREBY CERTIFY that on this 1st day of JULY, 2000, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared PASQUALE DiDONATO, and acknowledged the foregoing instrument to valid and duly authorized act and deed on his own behalf or on behalf of the company for whom he or she executed this instrument.



WITNESS my hand and Notarial Seal the day and year set forth above.

Patricia J. Ciesla  
Notary Public

My commission expires: 11-1-01

CERTIFICATION OF PREPARATION

This is to certify that the foregoing instrument was prepared by the party to this instrument appearing as Grantee.

JAMES V. DiDONATO  
Telephone No. 410-643-4131  
P.O. Box 142  
CHESTER, MD 21619

After recording, please return to:

DOC. NO. 260400

LIBERO 771 FOLIO 106

RECEIVED  
CLERK, CIRCUIT COURT  
00 DEC 22 AM 10:25  
QUEEN ANNE'S COUNTY

Tax Parcel No. 9, Queen Anne's County Tax Map Page 56

Prepared By: Sharpgas, Inc.  
P.O. Box 615  
Dover, DE 19903-0615

Return To: Sharpgas, Inc.  
P.O. Box 615  
Dover, DE 19903-0615

IMP FD SLURF \$ 5.00  
RECORDING FEE 20.00  
TOTAL 25.00  
Rest Qawl Rcpt \$ 305.00  
SM JGG Blk # 1486  
Dec 22, 2000 10:27 am

**PERMANENT GAS EASEMENT AGREEMENT**

THIS PERMANENT GAS EASEMENT AGREEMENT is made this 4 day of December, 2000 between MARYLAND GAS SERVICE LLC., a Maryland limited liability company, or its assigns ( hereinafter referred to as "Grantor") and SHARPGAS, INC., its successors or assigns ("SHARP"), a Delaware corporation.

**RECITALS**

A. Mallard Run, LLC is the owner of a parcel of land consisting of 35.752 acres more or less located in Queen Anne's County, Maryland, and known as Tax Parcel Nine on Queen Anne's County Tax Map Page 56. The subdivision plat of Mallard Run Subdivision dated December 27, 1999, project number 04-99.017(c), was recorded on January 24, 2000, among the Plat Records of Queen Anne's County at Plat Book SM 028 pages 51A, 51B, and 51C. The deed reference for the title to the subdivision is Liber 701, Page 592. The aforesaid parcel is hereinafter referred to as the "Mallard Run Subdivision". Mallard Run, LLC has heretofore provided Maryland Gas Service, LLC with an exclusive perpetual utility easement and right-of-way dated July 1, 2000 over, under, and across certain portions of the Mallard Run Subdivision, including the right to assign all or a portion of the rights granted thereunder. Mallard Run, L.L.C. joins herein to acknowledge that the "Grantor" has the right and authority to enter into this agreement.

B. SHARP desires to provide propane gas service to the Mallard Run Subdivision.

C. Grantor is willing to assign and provide to SHARP an easement and right-of-way subject to the terms and conditions set forth herein:

NOW THEREFORE, for and in consideration of the payment by SHARP of the sum of One Dollar (\$1.00) and other valuable consideration, the receipt of which is hereby acknowledged, Grantor grants to SHARP a perpetual easement and right-of-way for purposes of distributing propane and/or natural gas to the residents of the Mallard Run Subdivision and agrees as follows:

SHARP, its successors or assigns, shall have the exclusive right to install, operate, maintain, repair, add to, extend, relocate, and remove its gas pipeline and other appropriate facilities, accessories, and appurtenances necessary to operate its gas system, on, under, over, and across the below described area easement and right-of-way and along the streets, alleys, or highways abutting said easement and right-of-way area for purpose of extending SHARP 's gas pipeline to all of the lots in the Mallard Run Subdivision provided however that such rights are subject to the authority, rights and obligation of and to any government or quasi-government agency including but not limited to any Federal, state, city, and local jurisdictions.

The exclusive perpetual easement and right-of-way area shall be as follows:

A parcel or parcels to be designated and located in the "Open Space" area of the Mallard Run Subdivision not to exceed one acre, plus a ten foot wide useable easement leading from said parcel or parcels to the street or streets designated or to be designated on the plats of said subdivision. Said parcel and ten (10) foot wide easement to be designated by Mallard Gas Service, LLC at any time during the term of this utility right-of-way easement by setting forth said areas as the designated parcel with the ten foot easement by recording a plat as an amendment or exhibit to its aforesated utility right-of-way and easement dated July 1, 2000; and also a ten foot wide useable easement across the front, rear or side lot lines of all lots in the Mallard Run Subdivision where such front, rear or side lot lines abut roads and lanes and alleys, and a five foot wide useable easement along all other front, rear or side lines on all lots in the subdivision that do not abut roads, lanes or alleys, to allow for gas distribution systems, gas tanks and facilities placement provided however all gas tanks shall only be located in the "open space" easement area.

Subject to the authority, rights and obligation of and to any government or quasi-government agency including but not limited to any Federal, state, city and local jurisdictions, SHARP, and its associated and affiliated companies, and their respective successors, assigns and licensees, at their sole cost and expense, is and are specifically granted the right to cross any street or roadway in the Mallard Run Subdivision to extend its lines to serve the lots in the subdivision. SHARP, and its associated and affiliated companies, and their respective successors, assigns and licensees, agrees to locate its systems and facilities within the easement and right-of-way adjacent to lot lines so as to not unduly interfere with the location of houses and other improvements on the lots subject to government or quasi-government agency requirements and further agree that all gas tanks shall only be placed within the designated "Open Space" easement area. Notwithstanding the foregoing, if other improvements on the lots are constructed within this granted easement or right-of-way in places that unduly interfere with the location, repair or replacement of SHARP's gas distribution system, the owner of the lot shall bear all costs and expenses of the removal of the interfering improvements.

Together with the right of ingress and egress onto all of the lots to said systems and facilities at all times, and the right to trim, top or cut trees adjacent to lines and poles sufficiently for the safe and proper operation and maintenance thereof, together with the right to maintain said utility easement and right-of-way and parcel of land at all times in such manner as in SHARP's determination appears necessary for the care and preservation of SHARP'S systems and facilities.

SHARP, and its associated and affiliated companies, and their respective successors, assigns and licensees, agrees to repair all damage to lawns, fields, fences, driveways streets, roadways, curbs and walkways (but no other improvements) arising from the construction and maintenance of the aforesaid systems and facilities within the ten foot and five foot Right-of-Way Easements, except where such damage is not attributable to the actions of SHARP, its employees or agents, or its successors or assigns or licensees or the employees or agents thereof.

The facilities installed pursuant to this agreement shall remain the property of SHARP and all maintenance, repairs, and removals of said facilities shall be the responsibility of SHARP.

SHARP shall have the non-exclusive rights of ingress, egress, and regress to, from, and over the easement and right-of-way land as necessary for the enjoyment of the rights granted herein, subject to Grantor' reasonable relocation of points of ingress, egress, and regress.

Grantor shall have the right to use the land covered by this agreement for any lawful purpose, including the granting of other easements (other than easements for the distribution of propane and/or natural gas) not inconsistent with or in contravention of the rights of SHARP.

Grantor covenant that it is seized of and has the right to convey the foregoing easement, rights, and privileges; agrees that SHARP shall have, subject to the terms of this agreement, quiet and peaceable possession, use, and enjoyment of the aforesaid easement, rights, and privileges.

Grantor agrees that this Permanent Gas Easement Agreement shall be binding upon and inure to the benefit of Grantor and SHARP and their respective heirs, personal representatives, administrators, successors, and assigns.

SHARP's facilities installed hereunder may, without further consideration, be relocated to conform to new or reestablished highway limits, provided such relocation does not interfere with Grantor' then-current use of its property or any then-current planned or anticipated use of its property.

SHARP by acceptance of this Agreement assumes and agrees:

a. To defend and indemnify Grantor against any claims, suits, loss, cost, and liability on account of injury or death of persons or damage to any property caused by or arising

out of any exercise of the easements and rights herein granted, except to the extent caused by any negligence of Grantor.

b. To restore the perpetual easement and temporary construction easement areas, including any part of Grantor' adjoining premises that may have been interfered with by SHARP, to or near the same condition as existed at the time of each entry for the exercise of the rights herein granted.

c. Not to unreasonably obstruct or prevent the ingress and egress to the remainder of Grantor' adjoining premises.

Grantor release SHARP from and against any claim or liability arising out of or relating to any expenses in connection with the presence, suspected presence, or removal of any substance, materials, or environmental conditions on the easement property, except to the extent the acts or omissions of SHARP caused or contributed to the environmental conditions on the easement property.

If maintenance is required on SHARP's facilities, Grantor will use its best effort to provide SHARP with a reasonable workspace reasonably near the facilities in which to perform the required maintenance.

SHARP, its successors or assigns, shall have the right to convert the propane gas distribution system described herein to a natural gas distribution system within the designated easement and right-of-way areas described herein, at any time. It is understood and agreed that the granting of this easement is not a representation that SHARP shall have the absolute right to perform as set forth herein in that this right-of-way easement is subject to the laws, ordinances, policies and requirements of the governmental and quasi-governmental agencies including but not limited to federal, state, county and local jurisdiction and any expense or cost related to obtaining permits or authority to use the right-of-way or easement shall be the responsibility of and at sole cost and/or expenses of SHARP.

Notices hereunder shall be given only by certified mail or air courier or by facsimile electronic transmission and shall be deemed given when the notice is deposited in the mail or with the air courier or facsimile electronic transmission service, postage or charges prepaid with confirmation of delivery requested, and directed to the party for whom intended at such party's address specified below, or such other address as such party may have substituted therefor by notice to the other:

Maryland Gas Service, LLC.

~~████████████████████~~ P10  
P. O. Box 142  
Chester, MD 21619

Sharpgas, Inc.  
P.O. Box 615  
Dover, DE 19903-0615

Maryland Gas Service, LLC reserves the right to retain ownership of and power over this Permanent Gas Easement Agreement as Grantor, including the right and power to assign its rights under this Easement and that certain Agreement of even date herewith between and MARYLAND GAS SERVICE, LLC and SHARP relating to the supply of propane gas, which Agreement has hertofore been assigned to Maryland Gas Service, LLC to a subsidiary or affiliate or other assignee of Grantor. Further, in the event SHARP fails to install its lines as contemplated, abandons the Easement and/or terminates the delivery of gas through the Easement, Maryland Gas Service, LLC reserves the right and power to terminate this agreement and to grant this Easement to a new grantee and easement holder for new consideration to be paid by the new grantee. This paragraph shall not apply if SHARP assigns its rights under this Permanent Gas Easement Agreement so long as the assignee continues to supply gas to the Mallard Run Subdivision and is subject to all the duties and obligations herein as well as the aforestated Agreement between MARYLAND GAS SERVICES, LLC and SHARP GAS, INC. of even date herewith.

WITNESS our hands the day and year aforesaid.

WITNESS:

Patricia J. Ciel

MALLARD RUN, LLC.

BY: [Signature]  
TITLE: \_\_\_\_\_

WITNESS:

Patricia J. Ciel

MARYLAND GAS SERVICE, LLC.

BY: [Signature]  
TITLE: \_\_\_\_\_

WITNESS:

Candace M. Smith

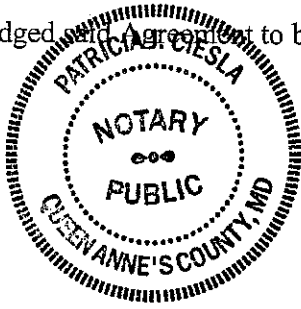
SHARPGAS, INC.

BY: James R. Schuecker  
TITLE: Vice Pres



STATE OF Maryland \*  
\*  
COUNTY OF Queen Anne's \*

BE IT REMEMBERED that on the 4<sup>th</sup> day of December, 2000, personally came before me, a notary public, on behalf of the within named Entity, James V. DiDonato a Member of MALLARD RUN, LLC., party to this Indenture and known to me personally to be such, and acknowledged said Agreement to be the act and deed of the entity for which he signed.



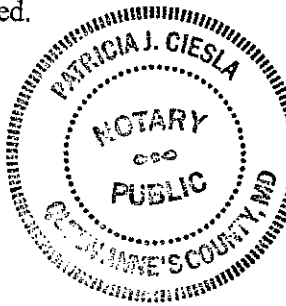
Patricia J. Ciesla

My Commissions expires: 11-01-01

Print Name: Patricia J. Ciesla  
Notary Public

STATE OF Maryland \*  
\*  
COUNTY OF Queen Anne's \*

BE IT REMEMBERED that on the 4 day of December, 2000, personally came before me, a notary public, on behalf of the within named Grantor, Rasquale DiDonato a Member of MARYLAND GAS SERVICE, LLC., party to this Indenture and known to me personally to be such, and acknowledged said Agreement to be the act and deed of the entity for which he signed.



Patricia J. Ciesla

My Commissions expires: 11-01-01

Print Name: Patricia J. Ciesla  
Notary Public

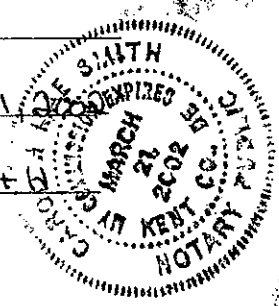
STATE OF DELAWARE \*  
\* SS:  
COUNTY OF KENT \*

BE IT REMEMBERED that on the 4<sup>th</sup> day of December, 2000, personally came before me, a notary public, on behalf of SHARPGAS, INC., James R. Schneider, Vice President, of SHARPGAS, INC., party to this Indenture and known to me personally to be such, and acknowledged said Agreement to be the act and deed of the company for which he signed.

Carolyn Mae Smith

My Commissions expires: March 21, 2002

Print Name: CAROLYN MAE SMITH  
Notary Public



**CERTIFICATION OF PREPARATION**

This is to certify that the foregoing instrument was prepared by an attorney duly admitted to practice in the Court of Appeals of Maryland.

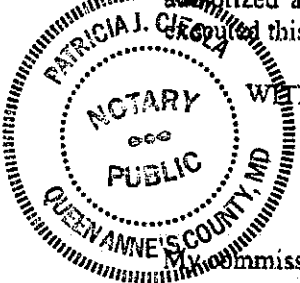
\_\_\_\_\_  
Telephone No. \_\_\_\_\_

After recording, please return to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF MARYLAND, COUNTY OF QUEEN ANNES TO WIT:

I HEREBY CERTIFY that on this 4<sup>th</sup> day of December, 2000, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared JAMES V. DiDONATO and acknowledged the foregoing instrument to valid and duly authorized act and deed on his own behalf or on behalf of the company for whom he or she executed this instrument.



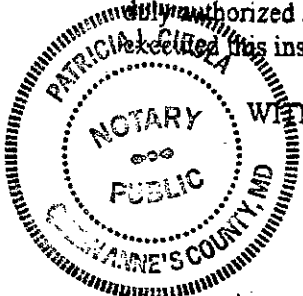
WITNESS my hand and Notarial Seal the day and year set forth above.

Patricia J. Ciesla  
Notary Public

My commission expires: 11-1-01

STATE OF Maryland, COUNTY OF Queen Annes TO WIT:

I HEREBY CERTIFY that on this 4<sup>th</sup> day of December, 2000, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared PASQUALE DiDONATO and acknowledged the foregoing instrument to valid and duly authorized act and deed on his own behalf or on behalf of the company for whom he or she executed this instrument.



WITNESS my hand and Notarial Seal the day and year set forth above.

Patricia J. Ciesla  
Notary Public

My commission expires: 11-1-01

CERTIFICATION OF PREPARATION

This is to certify that the foregoing instrument was prepared by the party to this instrument appearing as Grantee.

JAMES V. DiDONATO

Telephone No. 410-827-6940

P.O. Box 142

Chester, MD 21619

After recording, please return to: