

**The Talbot Integrity Project
8404 Aveley Manor Lane
Easton, MD. 21601**

March 21, 2022

Regarding Funding Lakeside Litigation to Protect Talbot County:

Dear Fellow Talbot Countians:

My name is Dan Watson and, for reasons a bit unclear, I have been leading the charge against Lakeside for the past 10 months, supported by an untold number of other citizens who recognize that Lakeside is a Rubicon for this County. I've been assisted also--quite informally--by prominent citizens and organizations from many walks, including half a dozen respected lawyers, active and retired, who are utterly appalled at the impact a subdivision like Lakeside will have on Talbot County, and even more appalled by the abuse of our state and local governmental processes that led to Lakeside's unwarranted approval.

In those months the Planning Commission, reviewing new information not presented to it in 2020, reversed position and determined connecting Lakeside to the existing Trappe sewerage plant is not consistent with our Comprehensive Plan unless it is substantially upgraded first. Since, under Maryland Law, the Planning Commission is the final arbiter of that question (not the County Council or the Maryland Department of Environment ("MDE")), that decision should have resulted in the modification or complete rescission of the County's Resolution 281 that gave Lakeside the greenlight in 2020. Many other well documented improprieties have occurred; for example, MDE issued illegal permits for Lakeside, aiding the developer's progress.

You would think this might have stopped Lakeside, or caused a major modification in its plans. It has not. Litigation is all that remains.

As long expected, the Lakeside battle *at the County Council level* is lost: Chuck Callahan—the only conceivable “swing vote”—sided with Pack and Divilio on a key vote last week, that body choosing to ignore (if it can) the Planning Commission's decision, just as they have ignored every other effort to challenge or modify plans for Lakeside. Similarly, repeated pleas made directly to MDE have had no result.

Which brings me to the purpose of this email. Does this Community have the will to invest the money needed to protect Talbot, not just from the scourge represented by Lakeside, but from the breakdown in the integrity of our local government processes?

With the help and advice of others, I am preparing for, and intend to initiate, litigation against MDE (an agency under great stress already) to compel them do the right thing, to take the action that is required by law, and support the position of the Planning Commission. It is MDE's

duty to respect the Planning Commission's decision, and is not discretionary. But MDE will be defended by the Maryland Office of the Attorney General which has unlimited resources, and I am sure they will resist this suit with rigor, and know they will argue over certain narrow procedural steps, among other things. (We also expect, and must be prepared for the developer of Lakeside and others to attempt to intervene and greatly expand the scope of what could be decided by a Court evaluating quite narrow provisions of Maryland law.)

But litigation is expensive. It is open ended. It is fraught with uncertainty. Parties will intervene. Litigation cannot be undertaken successfully in a half-hearted, dip-your-toe-in-the-water manner. It cannot be undercapitalized. AND, the commitment is not money alone—a ton of time and effort and personal energy must be invested also. And successful plaintiffs know the unexpected happens, no matter how well prepared as one can be. All but the young also know one cannot be certain of the outcome.

This is not Dan Watson's battle. It is yours, a battle for and about the Talbot community. The question is whether the prominent citizens—the wealthy and well-heeled with the resources to fund it, and with interests to protect—have the will to take up the fight, to pay the piper. To answer that question is the point of this letter.

I can only think the developer, and his small coterie of supporters (some in office), believe all those people with their homes on the water, their lovely rural landscapes, their nice boats, are mostly unaware, or uncaring, or powerless and impotent. Or just unorganized and so self-centered as to be unwilling to act in concert, even in a case like this, where the abuses are plain and outrageous. They could be right, we'll see.

To pursue this properly, I believe we need to raise \$500,000 from members of the Community in the next fifteen days. Sounds like a lot, but in the context of the wealth in our community, it is not. While arbitrary, I also believe that commitment needs to come from many fewer than fifty families, stepping up with investments of \$5,000 to \$50,000 each. Just thirty-three families investing what my wife and I funded so far in dealing with Lakeside (about \$15k) will get us there.

Obviously, I am directing this email, quite presumptuously I know, only to prosperous families in the community who I imagine (and please pardon errors in my judgement) have the capacity and hopefully the interest in making a discretionary investment of ten-, or twenty-five-, or fifty-thousand dollars, whether anonymously or otherwise.

This communication probably arrived by email, but make no mistake—it is not “an email solicitation.” ***This is a word-of-mouth campaign.*** The effort to take on this developer will succeed at the scale and speed required, only if pro-actively communicated among social circles, community networks, of people willing to share equitably in the costs and who recognize the seriousness of the threat.

I also recognize that some folks are, or feel, constrained by personal, social, or perhaps business relationships with the developer or his supporters or professionals involved with Lakeside. Obviously, only those so situated can resolve such a dilemma. Anonymous contributions will be accepted.

This communication is not for everyone, obviously, but I would appreciate it if you would discretely pass it on to others on my behalf (with or without comment) who you think might have the interest and capacity to help fund the Lakeside litigation.

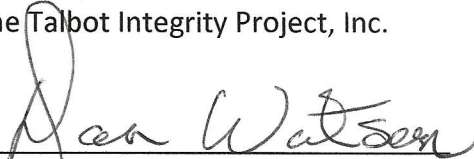
Thanks for having read so far. And pardon the uncommon presumptuousness of all this, as there is little time to lose. A good friend once told me, "What other people think of you is none of your business." Very empowering.

Kindly review the two important attachments accompanying this letter that describe the terms governing any contributions to this effort (the "Memorandum of Understanding") and answer what I anticipate would be frequently asked questions (the "FAQs").

Finally, I would be happy to meet with any prospective contributors personally to discuss these matters, or call me at the number below if a brief conversation would be helpful.

And if you conclude this is a worthy investment, please send a check.

Sincerely,
The Talbot Integrity Project, Inc.


By: Dan Watson, Acting Chairman
410-310-6613

PS: What would be *most* helpful to get this litigation launched most swiftly and unconditionally, is a "backstop commitment"—a benefactor family or group that, confident the Talbot Community will step up and provide the funds needed, will commit up front to "cover the difference." That would enable this effort to charge forward swiftly, as would be most beneficial for all!

MARCH 21, 2022

MEMORANDUM OF UNDERSTANDINGS REGARDING CONTRIBUTIONS
TO THE TALBOT INTEGRITY PROJECT LITIGATION FUND

1. **SPONSOR:** The Talbot Integrity Project, Inc. ("TIP") is a non-partisan, non-profit entity incorporated in Maryland, founded by Dan Watson ("Watson"), its Acting Chairman and, at present, its sole Director, with the mission of supporting adherence to the Talbot County Comprehensive Plan.
2. **LITIGATION FUND:** TIP has established a segregated banking account, the Litigation Fund (or "the Fund") for the sole purpose of receiving voluntary contributions towards, and paying expenses for, litigation directly or indirectly related to the project known as Lakeside, located in Trappe, MD. All contributions to the Fund will be used solely to pay bone fide third-party costs related to litigation. No funds shall be paid Watson.
3. **THRESHOLD AMOUNT AND TARGET DATE:** All contributions shall be immediately deposited in the Litigation Fund on receipt, but no payments shall be made from the Fund until such time as the Fund has collected at least Five Hundred Thousand Dollars (\$500,000), the "Threshold Amount." If contributions deposited into the Fund do not total at least the Threshold Amount by April 8, 2022 (the "Target Date"), then all contributions made to the fund shall be returned in full to the original contributors and the Fund shall be terminated, provided, however, that, by written notice sent to all contributors, TIP shall have the unilateral authority to extend the Target Date but no later than April 30, 2022.
4. **PLEDGES:** Pledges of future funding are welcome, of course, but will not be counted in determining if the Litigation Fund has reached its Threshold Amount.
5. **RECORDS:** Any contributor shall be entitled to review the books and records of the Fund at any time on a confidential basis. (The information is privileged and confidential.)
6. **EXCESS FUNDS, IF ANY:** When, in the judgement of TIP, all Lakeside litigation (including appeals) is concluded and final expenses paid, TIP shall make a final accounting to all contributors, and any remaining balance in the Fund shall be distributed back to contributors on a pro-rata basis.
7. **LITIGATION:** TIP shall be a plaintiff in any litigation paid for from the Fund, and it is intended that TIP shall bear all costs thereof from the Fund, unless other parties agree to contribute to such costs. Either Watson or TIP shall be designated lead plaintiff in any

litigation paid for by the Fund. Neither TIP or Watson can warrant, of course, the outcome of any Lakeside litigation, nor that such litigation will cost less than the threshold amount; accordingly, it is conceivable that litigation would have to be abandoned before completed because of lack of funds.

8. **AUTHORITIES; ATTORNEY-CLIENT AND WORK PRODUCT PRIVILEGE;**¹

All contributors, by proffering funds, agree:

- That they are bound by the provisions of this Memorandum of Understanding;
- That they share TIP's objectives, share a common interest and desire to pursue a common strategy, and represent that do not hold an opposing interest;
- That all communications regarding litigation or the Fund shall be privileged and remain privileged and confidential regardless of any subsequent developments;
- That Watson, on behalf of TIP, will be the exclusive point of contact between all plaintiffs and legal counsel;
- That, while in no way implying an unwillingness to consult with contributors, final decision-making authority concerning the litigation shall rest with Watson, acting on behalf of TIP and in close consultation with legal counsel.

9. **ADDITIONAL FUNDS:** No one making a contribution is thereby obligated to make additional contributions in the future.

10. **CONTRIBUTIONS:**

- Contributions to the Fund ARE NOT TAX DEDUCTIBLE.
- TIP shall use reasonable efforts to keep information pertaining to the Fund, including the identity of contributions and contribution amounts, confidential, but no representation can be made that such information is not discoverable.
- Anonymous contributions will be accepted; just note that request on face of check.
- To contribute, just make send a check, payable to The Talbot Integrity Project at the address below, and indicate it is designated for the Litigation Fund. A receipt shall be provided.

The Talbot Integrity Project
8404 Aveley Manor Lane
Easton, MD. 21601

¹ Section added on advice of counsel.

ANTICIPATED QUESTIONS (FAQ's)

1. Can I contribute less than \$5,000 to the Litigation Fund?
 - TIP intends that litigation be funded only by large contributors, so, no. But TIP is also separately soliciting contributions for its General Fund, to underwrite its mission to protect our Comprehensive Plan in other ways, including supporting candidates who recognize the importance of the Comp Plan and show that they support it. Please consider a contribution to TIP's "General Fund."
2. In agreeing to contribute to the Litigation Fund, will that make me a plaintiff or otherwise involved me in litigation?
 - No, becoming plaintiff is a different issue. Lakeside litigation will include plaintiffs who live on La Trappe Creek, whether or not contributors, which may be required for "standing." Let TIP know if would like to be a plaintiff.
3. What unintended risks or liabilities might arise if I contribute to the Litigation Fund.
 - Know known risks arise from contributing to this cause.
4. Why do you need to collect anywhere this amount of money?
 - While it is possible that costs will be much less if a case were to remain focused only narrow issues related to interpretation of law, it is likely that others will intervene, broaden the case to include many other issues requiring discovery costing a great deal. It is not rational to be undercapitalized.
5. Could you not raise, say, just \$50,000 to start, see what happens, and raise more if needed later.
 - That strategy invites trouble, as defendants know the wise course is to drive up costs and try to force litigation to end for that reason.
 - It is not at all fair to first donors whose money is at risk—indeed, wasted—if subsequent funds cannot be raised.
 - It is not fair to those doing unpaid work associated with litigation—a different, and arguably a bigger commitment, than funding.
6. Will you take pledges?
 - Yes, but they will not be included in determining if the Threshold Amount has been reached by the Target Date. (Refer to "Understandings.")
7. Can I get my money back once I make a contribution?
 - No, unless (a) we fail to reach Threshold Amount by the Target Date, in which case all funds will be returned in full, or (b) there is a sum remaining after litigation and appeals are concluded and all expenses paid, in which case that sum will be returned pro rata to contributors.
8. Will any funds be paid to Watson or other individuals working on behalf of TIP?
 - No.