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DISCLOSURE STATEMENT RECEIPT

I/We acknowledge that on _____, 19__,
I/we received a copy of the Disclosure Statement for the Old
Harford Pines II Homeowners Association project dated
_____, 19__.

Date

Buyer #1 - Signature

Buyer #1 - Print Name

Date

Buyer #2 - Signature

Buyer #2 - Print Name

Lot

Contract Date

SUMMARY

The attached Disclosure Statement contains certain information regarding the Old Harford Pines II project (the "Property"), as required by Section 11B-105 of the Maryland Homeowners Association Act (the "Act"). Upon purchasing a Lot within the Property, you will have certain rights and obligations, including the obligation to pay assessments to Old Harford Pines II Homeowners Association, Inc. (the "Homeowners Association").

THE FOLLOWING SUMMARY IS NOT INTENDED TO BE A COMPLETE EXPLANATION OF THE MATTERS COVERED BY THE DISCLOSURE STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT. PROSPECTIVE PURCHASERS ARE URGED TO READ CAREFULLY THE ENTIRE DISCLOSURE STATEMENT.

The Property is located in Baltimore County, Maryland on the southwest side of Summit Avenue approximately 500 feet northwest of Old Harford Road. The Property will initially cover approximately 4.145 acres and contain 20 Lots. All Lot Owners will share the right to use certain Open Spaces and Parking Areas located within the Property. The Declarant has reserved the right to add a storm water management facility, covering approximately 0.677 acres, to the Property.

Each Lot Owner will be a Member of the Homeowners Association. The day to day operation of the Homeowners Association will be governed by its board of directors and officers. By reason of the special voting rights it has reserved, James Keelty & Co., Inc. (the "Declarant") will control the selection of the directors and officers of the Homeowners Association until the earlier of (1) the conveyance by the Declarant of record title to at least 15 Lots within the Property or (2) January 1, 1994.

The estimated expenses of operating the Homeowners Association during the first annual assessment period are set out in the Proposed Annual Budget which is attached to this Disclosure Statement as Exhibit V. The income of the Homeowners Association will be generated primarily through an annual assessment imposed against the Lot Owners.

The Declarant has established certain rules and regulations and certain architectural controls for the purpose of maintaining a uniform scheme of development within the Property governed by the Homeowners Association. To that end, any Lot Owner (other than the Declarant) who desires to make any addition or alteration to his or her home or Lot may do so only with the prior written approval of (1) the board of directors or architectural control committee of the Homeowners Association, and (2) prior to January 1, 1996, the Declarant.

Other important rights and obligations of the Lot Owners are also described in the Disclosure Statement, which should be read in its entirety. You should pay particular attention to the following portions of the Disclosure Statement: (a) Part 7, which describes the property to be owned, leased or maintained by the Homeowners Association, and (b) Part 8, which describes the assessments payable by the Lot Owners, including the reduced assessment payable by the Declarant, and (c) Part 13, which describes certain special rights reserved by the Declarant. You should also read carefully each exhibit to the Disclosure Statement.

INTRODUCTION

This Disclosure Statement contains certain information which James Keelty & Co., Inc. (the "Declarant") is required to disclose to the lot buyers pursuant to Section 11B-105 of the Maryland Homeowners Association Act (the "Act"), which is set forth in Title 11B of the Real Property Article of the Annotated Code of Maryland (1988 Replacement Volume), as amended by 1988 Md. Laws Chapter 32 (H.B. 388). The disclosures required by the Act consist of 13 parts. Each such part is set forth on a separate sheet (or sheets) of this Disclosure Statement. For each part, the disclosure requirement imposed by the Act is set forth at the top of the sheet, and is followed by a solid line. The Declarant's response is set forth below that line. Certain documents relevant to the disclosures required by the Act are attached at the end of this Disclosure Statement as Exhibits.

The disclosures contained herein are believed by the Declarant to be true as of the date this Disclosure Statement is delivered to the Buyer. The Declarant reserves the right to amend this Disclosure Statement from time to time to reflect changes in the Declarant's plans concerning the Old Harford Pines II project, changes in the documents which are attached to this Disclosure Statement, changes in the laws governing the project, and any other changes affecting the information set forth in this Disclosure Statement. The Declarant will give the Buyer a copy of each substantial and material amendment which is made to this Disclosure Statement prior to the settlement held under the Buyer's Contract of Sale.

Some of the statements made in this Disclosure Statement refer to the proposed Declaration of Covenants, Conditions and Restrictions of the Homeowners Association (the "HOA Declaration"), which is attached to this Disclosure Statement as Exhibit I, and to the proposed Articles of Incorporation and By-laws of the Homeowners Association, which are attached to this Disclosure Statement as Exhibits III and IV, respectively. These documents should be read in their entirety. References in this Disclosure Statement to specified provisions of such documents are designed only to highlight certain information which is required to be disclosed pursuant to the Act. Such documents may contain other provisions which also relate to the disclosures made herein.

The HOA Declaration, Articles of Incorporation, and By-laws are divided into (1) major sections, which are referred to as "Articles" and are designated by roman numerals, and (2) smaller sections, which are referred to as "Paragraphs" or "Sections" and are designated by arabic numerals. Subparagraphs and subsections are numbered in lower case roman numerals, or in lower case letters. Hence, a reference to subparagraph (iii) or (c) of Paragraph 5 of Article XII of any of these documents will be designated as Article XII (5)(iii) or Article XII (5)(c), respectively, in this Disclosure Statement.

There are certain discrepancies in terminology between the documents contained in this Disclosure Statement, on the one hand, and the Act, on the other hand.

1. Although the Act uses the term "lot owners" or "owners of lots", the HOA Declaration refers to lot owners as "Record Owners". (See the definition of "Record Owner" in Article I(16) of the HOA Declaration.) The narrative portions of this Disclosure Statement use the term "Lot Owners" in order to be consistent with the Act.

2. Section 11B-101(f)(1) of the Act defines "Development" as "property subject to a declaration". On the other hand, the HOA Declaration refers to the property subject to the HOA Declaration as the "Property". (See the definition of "Property" in Article I(15) of the HOA Declaration.) This Disclosure Statement will refer to the real property subjected to the HOA Declaration as the "Property".

3. Section 11B-101(b) of the Act defines "Common Areas" as "property which is owned or leased by a homeowners association." Article I(4) of the HOA Declaration defines "Common Areas" more broadly as "all areas of the Property, other than the Lots, owned or leased by the Association, or otherwise available to the Association for the common use, benefit and enjoyment of the Record Owners . . ." (emphasis added.) This Disclosure Statement will use the term "Common Areas" in its broader sense.

4. Old Harford Pines II Homeowners Association, Inc. is referred to as a "Homeowners Association" by the Act and as the "Association" by Article I(1) of the HOA Declaration. The terms "Homeowners Association" and "Association" are used interchangeably in this Disclosure Statement.

Except as otherwise provided above, each capitalized term used in this Disclosure Statement and defined in the HOA Declaration shall have the meaning ascribed to such term by the HOA Declaration.

PART 1

(I) The name, principal address, and telephone number of the vendor and of the declarant, if the declarant is not the vendor; or

(II) If the vendor is a corporation or partnership, the names and addresses of the principal officers of the corporation, or general partners of the partnership.

I. The name of the Vendor/Declarant is James Keelty & Co., Inc.

The principal address and telephone number of the Vendor/Declarant are as follows:

James Keelty & Co., Inc.
61 East Padonia Road
P. O. Box 528
Timonium, Maryland 21093-0528
Telephone: (301) 252-8600

II. The names of the principal officers of James Keelty & Co., Inc. are as follows:

Joseph S. Keelty	Chairman
James Keelty, III	President
Michael Keelty	Executive Vice President
Catherine T. Heuer	Secretary/Treasurer

The address of each such officer is:

James Keelty & Co., Inc.
61 East Padonia Road
P. O. Box 528
Timonium, Maryland 21093-0528

PART 2

- (I) The name, if any, of the homeowners association; and
 - (II) If incorporated, the state in which the homeowners association is incorporated and the name of the Maryland resident agent.
-

- I. The name of the Homeowners Association is Old Harford Pines II Homeowners Association, Inc.
- II. The Homeowners Association is or will be incorporated in the State of Maryland. The name of the Maryland resident agent is Richard A. Ransom.

PART 3

A description of:

(I) The location and size of the development, including the minimum and maximum number of lots currently planned or permitted, if applicable, which may be contained within the development; and

(II) Any property owned by the declarant or the vendor contiguous to the development which is to be dedicated to public use.

-
- I. The Property is located in the Ninth Election District of Baltimore County, Maryland, on the southwest side of Summit Avenue approximately 500 feet northwest of Old Harford Road. The total acreage of the Property will originally be approximately 4.145 acres. The Property will contain 20 Lots. The Declarant has reserved the right to add to the Property a storm water management facility covering approximately 0.677 acres. See Section II of this Part 3, and Part 5 of this Disclosure Statement, for more information concerning the storm water management facility.
- II. The Declarant will initially own all streets constructed within the Property, but the Declarant has offered, or will offer, to dedicate (convey) all such streets to Baltimore County. See Article III(1)(a) of the HOA Declaration. The Declarant expects Baltimore County to accept the title to such streets, provided such streets conform to all applicable Baltimore County requirements.

The Declarant will also initially own the Local Open Space (containing approximately 0.328 acres) which is located immediately to the northwest of Perring Road. The 0.328 Acre Parcel of Local Open Space will be conveyed to the Board of Education of Baltimore County.

Additionally, the Declarant will initially own the storm water management facility (covering approximately 0.677 acres) which is located southwest of Lots 16-20 along the southeast side of Perring Road. The Declarant has offered, or will offer, to dedicate the storm water management facility to Baltimore County. The Declarant expects Baltimore County to accept the title to such facility, provided that it conforms to all applicable Baltimore County requirements. If Baltimore County refuses to accept title to the storm water management facility, the Declarant may add such facility to the Property and convey such facility to the Homeowners Association.

See Parts 5 and 7 of this Disclosure Statement for additional information concerning the storm water facilities and streets serving the Property.

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PART 4

If the development is or will be within or a part of another development, a general description of the other development.

The Property is not and will not be within or a part of another development.

PART 5

If the declarant has reserved in the declaration the right to annex additional property to the development, a description of the size and location of the additional property and the approximate number of lots currently planned to be contained in the development, as well as any time limits within which the declarant may annex such property.

In Article IX(3) of the HOA Declaration, the Declarant has reserved the right to add a storm water management facility to the Property and convey such facility to the Association on or before December 31, 1995. Such facility covers approximately 0.677 acres and is located southwest of Lots 16-20 along the southeast side of Perring Road. If such facility is conveyed to the Association, it will become a Common Area and the Association will be responsible for its maintenance. The Declarant is not obligated to add such facility to the Property or to convey such facility to the Association. Such facility may be conveyed to Baltimore County, instead. Whether or not the storm water management facility is added to the Property, the number of Lots contained within the Property will remain at 20. See Parts 3 and 7 of this Disclosure Statement for additional information concerning the storm water management facility.

PART 6

A copy of:

I. The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable; and

II. The bylaws and rules of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable.

I. The proposed Articles of Incorporation are attached to this Disclosure Statement as Exhibit III. The proposed Declaration of Covenants, Conditions and Restrictions which will subject the Property to governance by Old Harford Pines II Homeowners Association, Inc. (the "HOA Declaration") is attached to this Disclosure Statement as Exhibit I.

The obligations imposed by the Articles of Incorporation and the HOA Declaration are enforceable against the Lot Owners and their tenants to the extent provided by the Articles of Incorporation and the HOA Declaration, and by state law. See especially the paragraph immediately preceding Article I of the HOA Declaration, and Articles III (5), IV (1) and (3), VI (8), VIII (12) and XIII (1) of the HOA Declaration.

Two other Declarations of Covenants, Conditions and Restrictions affecting the Property are also attached to this Disclosure Statement. (1) The Declaration of Covenants, Conditions and Restrictions, dated March 3, 1988, and recorded in the Land Records of Baltimore County at Liber S.M. 7807, folio 216 (the "Open Space Declaration"), which restricts the use of the Open Spaces, is attached to this Disclosure Statement as Exhibit II-A. (2) A proposed Declaration of Covenants, Conditions and Restrictions (the "Architectural Declaration"), which gives the Declarant a right of approval over all architectural changes and additions made to the dwellings within the Property prior to January 1, 1996, is attached to this Disclosure Statement as Exhibit II-B.

The obligations imposed by the Open Space Declaration and the Architectural Declaration are enforceable against the Lot Owners and their tenants to the extent provided by the Open Space Declaration and the Architectural Declaration, respectively. See especially the paragraph immediately preceding Article I of each such declaration.

II. The proposed By-Laws are attached to this Disclosure Statement as Exhibit IV. Certain rules and regulations are set forth in Article VIII of the HOA Declaration. Article XV of the By-Laws authorizes the Board of

Directors to adopt additional rules and regulations for the use, operation and maintenance of the Common Areas and the improvements thereon. The Board of Directors has yet not adopted any such rules and regulations.

The obligations imposed by the By-Laws and the rules and regulations of the Association are enforceable against the Lot Owners and their tenants to the extent provided by the By-Laws and the HOA Declaration, and by state law. See especially the paragraph immediately preceding Article I of the HOA Declaration, and Articles III(5), IV(1) and (3), VIII(12) and XIII(1) of the HOA Declaration.

PART 7

A description or statement of any property which is currently planned to be owned, leased or maintained by the homeowners association.

The following statements describe various facilities that are currently included in the Declarant's plans for the Property. Changes in economic conditions, buyer preferences, construction costs, legal requirements and other factors may cause the Declarant to make substantial changes in its plans for the Property. The Declarant reserves the right to make any changes in its plans which the Declarant, in its sole discretion, deems appropriate, except as otherwise provided in the contract of sale to which this Disclosure Statement is attached.

Parking Areas. Parking areas, constructed of bituminous concrete, will be located on the northeast and southwest sides of Demarest Court and Valles Court for the use of all Lot Owners, in common. These parking areas will generally be 18 feet long, consisting of (a) ten feet of pavement upon Common Areas owned by the Homeowners Association and (b) eight feet of pavement upon street rights of way which are to be dedicated (conveyed) to Baltimore County. All of the parking areas, however, including those portions which lie in the street rights of way, will be maintained by the Homeowners Association.

Curbs. Step-type curbs, approximately six inches high and constructed of poured concrete, will be installed along the edges of Perring Road, Demarest Court and Valles Court. Such curbs will be located partly upon the street rights of way, and partly upon land owned by the Homeowners Association. The Homeowners Association will be responsible for maintaining only those portions of the curbs which lie upon land owned by the Homeowners Association. The curbs within each street right of way will be maintained by Baltimore County, if and when such right of way is dedicated to Baltimore County.

Sidewalks. The Property will be served by a series of four foot wide, poured concrete sidewalks. The Homeowners Association will be responsible for maintaining those sidewalks located upon the Common Areas or the street rights of way. Each Lot Owner, however, will be responsible for maintaining the sidewalk which runs across his or her Lot to his or her dwelling from the sidewalk which is located in front of his or her Lot.

Storm Water Facilities. A storm water collection system, comprised in part of underground pipes, is being constructed by the Declarant within the Property. The storm water collection system is located partly under the streets and partly within the Common Areas. The portion of the storm water collection system located under the streets will be owned and maintained by the Declarant until the streets are conveyed to Baltimore County. The portion of the storm water collection system located within the Common Areas will be

maintained by the Declarant pursuant to an easement set forth in Article III(1)(b) of the HOA Declaration until Baltimore County accepts responsibility for the maintenance of such portion of the storm water collection system. The Plat described in Paragraph 1 of the Explanatory Statement on page 1 of the HOA Declaration provides Baltimore County with an easement for such purposes.

The storm water collection system will feed into an off-site storm water management facility, which the Declarant intends to convey to Baltimore County. If Baltimore County refuses to accept such conveyance, the Declarant may add the storm water management facility to the Property and convey such facility to the Homeowners Association, as provided in Article IX(3) of the HOA Declaration. If such facility is conveyed to the Homeowners Association, the Homeowners Association will become responsible for maintaining such facility. (See Section II of Part 3 of this Disclosure Statement for further information concerning the storm water management facility.)

Open Spaces. The areas identified as H.O.A. Local Open Space on the Plat, and designated as Open Spaces in the HOA Declaration, have a total area of approximately 0.948 acres, and are comprised of the following areas:

H.O.A. Local Open Space: 0.213 acres ±
H.O.A. Local Open Space: 0.441 acres ±
H.O.A. Local Open Space: 0.294 acres ±

These Open Spaces will be grass-covered for the most part, and will be owned and maintained by the Homeowners Association. See Articles III, IV and XII of the HOA Declaration for further information concerning the ownership, use and maintenance of the Open Spaces.

The Open Spaces to be conveyed to the Homeowners Association do not include the area shown on the Plat as "Local Open Space: 0.328 Acres ±". (See Section II of Part 3 of this Disclosure Statement for further information concerning such area.)

PART 8

A copy of the estimated proposed or actual annual budget for the homeowners association for the current fiscal year, including a description of the replacement reserves for common area improvements, if any, and a copy of the current projected budget for the homeowners association based upon the development fully expanded in accordance with expansion rights contained in the declaration.

I. Declarant Funding Period.

The Declarant will pay the ordinary out-of-pocket expenses incurred by the Homeowners Association during the period beginning upon the creation of the Homeowners Association and ending one day before the commencement of the first annual assessment period (the "Declarant Funding Period"). Such ordinary out-of-pocket expenses will include grounds maintenance, snow removal and insurance expenses of the types shown in the budget attached to this Disclosure Statement as Exhibit V (the "Proposed Budget"). The "ordinary out-of-pocket expenses" which the Declarant has agreed to pay do not include the funding of reserves, the cost of defending and satisfying tort claims against the Homeowners Association, and other expenses of types or in amounts not reflected in the Proposed Budget. At the end of the Declarant Funding Period, the Homeowners Association will be obligated to reimburse the Declarant for all amounts paid in advance by the Declarant for goods and services to be received by the Homeowners Association after the Declarant Funding Period.

The first annual assessment period will commence upon the earlier of (a) a date to be determined by the Board of Directors or (b) the date the Class B Membership ceases to exist (e.g., when the Declarant has conveyed legal title to at least 15 Lots within the Property). Through its initial control of the Board of Directors of the Homeowners Association, the Declarant can, if it so desires, cause the first annual assessment period to commence (and the Declarant Funding Period to end) earlier than the date the Class B membership ceases to exist. In any event, the Declarant Funding Period will probably end within one year after the first Lot settlement.

II. Proposed Budget for the First Annual Assessment Period.

- (a) Adoption of Budget. The Declarant proposes that the Proposed Budget be adopted for use by the Homeowners Association during the first annual assessment period. The actual budget for the first annual assessment period is to be adopted by the Board of Directors of the Homeowners Association pursuant to Article VI(3) of the HOA Declaration. The Declarant may still be in control of the Board of Directors when the budget for the first annual assessment period is adopted. (See Section III(b)(ii) of Part 13 of this Disclosure Statement).

- (b) General Qualifications. The expense estimates contained in the Proposed Budget are subject to the following qualifications:
- (i) The cost figures set forth in the Proposed Budget are only estimates, not guarantees. Even if the Proposed Budget is adopted by the Board of Directors without amendment, the actual expenditures by the Association for the listed items may vary substantially from the budgeted amounts.
 - (ii) The cost estimates are based upon June 1, 1988 price levels, without any allowance for the price increases that have occurred since that date or for the price increases that are likely to occur in the future.
 - (iii) The Declarant does not intend to suggest that expenditures will not be necessary or desirable for items which are not included within the Proposed Budget. For example, if the storm water management facility is conveyed to the Association, the Association will be responsible for maintaining, repairing and replacing such facility. The Developer expects that, under normal circumstances, the annual cost of maintaining such facility will be minimal. The facility could be damaged or destroyed by a major storm, however, and the cost of rebuilding the facility may be substantial.
 - (iv) The estimated expenses set forth in the Proposed Budget do not reflect expenditures for debt service on the Lot Owner's mortgage, real property taxes on the Lot and dwelling, utilities (such as water, electricity, telephone and cable TV) serving the Lot and dwelling, casualty and liability insurance for the Lot and dwelling, grounds maintenance and snow removal for the Lot, maintenance and repairs on the dwelling, and other items for which each Lot Owner is individually and directly responsible.
- (c) Replacement Reserve Qualifications. The replacement reserve estimates described in footnote 4 of the Proposed Budget are subject to the following qualifications:
- (i) All of the cost and useful life figures used in calculating the replacement reserves are only estimates, not guarantees.
 - (ii) The cost estimates are based upon June 1, 1988 price levels, without any allowance for the price increases that have occurred since that date or for the price increases that are likely to occur in the future.
 - (iii) The Declarant does not intend by the mention of any useful life to establish the date upon which such useful life will begin or to guarantee that payments into the applicable replacement reserve will begin at the commencement of such useful life. In any event, the replacement reserves will

not be funded prior to the beginning of the first annual assessment period.

- (iv) The Declarant cannot give any assurance that the replacement reserves will be properly maintained, invested, and applied by the Association, or that, even if properly maintained, invested, and applied, the replacement reserves will be sufficient to cover the cost of repairing, replacing or repainting the listed Common Area improvements whenever any such repair, replacement or repainting becomes necessary or desirable.
- (v) The Declarant does not intend by the mention of the common elements listed above to suggest that a reserve for the repair, replacement or repainting of other Common Area improvements is unnecessary or undesirable.
- (vi) Each Lot Owner is responsible for cleaning, maintaining, repairing, and/or replacing his or her Lot and dwelling.

III. Annual Assessments.

After the expiration of the Declarant Funding Period, the Homeowners Association will obtain funds to pay the expenses, including reserves, required for the maintenance of the Common Areas and the operation of the Homeowners Association by imposing an annual assessment against each Lot.

As stated above, the first annual assessment period will begin on the earlier of (a) a date to be determined by the Board of Directors or (b) the date the Class B membership ceases to exist (e.g., when the Declarant has conveyed legal title to at least 15 Lots within the Property). The first annual assessment period will end on December 31 of the same calendar year in which it begins. Thus, the first annual assessment period may be substantially shorter than the 12 month period covered by the Proposed Budget.

The annual assessment will be imposed uniformly against all Lots, except that the annual assessment against each Lot owned by the Declarant will be only one-fourth of the annual assessment against each Lot owned by anyone other than the Declarant.

An annual assessment of \$150 per Lot would be sufficient to raise the \$3,000 of income required by the Proposed Budget if such \$150 assessment were imposed against all 20 Lots. The Declarant will probably own some of the Lots during at least part of the first annual assessment period, however. Thus, an annual assessment somewhat in excess of \$150 per Lot will probably be required to raise the budgeted income of \$3,000. The amount of such excess will not be established until shortly before the end of the Declarant Funding Period, when the Declarant can better estimate (1) how many Lots it will own at the beginning of the first annual assessment period, and (2) how long it will own such Lots.

The reduced annual assessment for each Declarant-owned Lot is intended to apply only to the portion of the annual assessment period during which the Declarant owns the Lot. Thus, when the Declarant sells a Lot, the one-fourth assessment will apply only to the portion of the annual assessment period falling prior to the settlement, and the full assessment will apply to the portion of the annual assessment period falling after the settlement, and both such amounts will be prorated to the settlement date. For example, if the "full" assessment were \$180 per Lot, if the annual assessment period covered a full calendar year, if the annual assessment were payable in a lump sum on January 1, and if the settlement on a particular Lot were held on May 1, then the liability for the annual assessment against the Lot would be allocated as follows:

Declarant's liability	\$45 x 1/3 year = \$ 15
Buyer's liability	\$180 x 2/3 year = <u>\$120</u>
Total assessment revenue from this Lot	\$135

Under this example, the \$120 owed by the buyer would be paid at settlement and would be distributed as follows: (a) \$30 would be paid to the Declarant as reimbursement for the amount previously paid by the Declarant to the Homeowners Association for the period from May 1 through December 31, and (b) \$90 would be paid to the Homeowners Association.

IV. Special Assessments

~~*~~ If the Association determines at any time that the annual assessment then in effect or the reserve funds then existing are inadequate, or that additional funds are otherwise required for the payment of common expenses, the Association may levy a special assessment against the Lot Owners. The responsibility for payment of the special assessment will be allocated equally among the Lot Owners, except that the special assessment against each Lot owned by the Declarant will equal only one-fourth of the special assessment against each Lot owned by anyone other than the Declarant. Each special assessment may be imposed in the form of a lump sum or periodic installments.

V. Further Information

More detailed information concerning the nature of the common expenses and reserve funds, the budgetary process, and the manner in which the annual and special assessments are to be established, collected and enforced, is set forth in Article VI of the HOA Declaration, and in Article XI of the By-laws.

PART 9

A statement of current or anticipated mandatory fees or assessments to be paid by owners of lots within the development for the use, maintenance, and operation of the common areas and for other purposes related to the homeowners association and whether the declarant or vendor will be obligated to pay the fees in whole or in part.

- I. The annual and special assessments to be paid by Lot Owners for the use, maintenance, and operation of the Common Areas and for other purposes related to the Homeowners Association are described in Sections III and IV of Part 8 of this Disclosure Statement.
- II. The annual assessment imposed against each Lot owned by the Declarant will equal only one-fourth of the annual assessment imposed against the Lots of other Lot Owners. See Section III of Part 8 of this Disclosure Statement and Article VI(5)(a) of the HOA Declaration for further information.

PART 10

(I) A brief description of zoning and other land use requirements affecting the development; or

(II) A written disclosure of where the information is available for inspection.

Information regarding zoning and other land use requirements affecting the Property may be found at the following locations:

- (A) Local land use laws: Baltimore County Department of Planning and Zoning
111 W. Chesapeake Avenue
Towson, Maryland 21204
- (B) State land use laws: Department of State Planning
State Office Building
301 West Preston Street, Room 1107
Baltimore, Maryland 21201
- (C) Federal land use laws: Library of Congress
Madison Building, Room 201
101 Independence Ave.
Washington, D.C. 20540

PART 11

A statement regarding:

- (I) When mandatory homeowners association fees or assessments will first be levied against owners of lots;
 - (II) The procedure for increasing or decreasing such fees or assessments;
 - (III) How fees or assessments and delinquent charges will be collected;
 - (IV) Whether unpaid fees or assessments are a personal obligation of owners of lots;
 - (V) Whether unpaid fees or assessments bear interest and if so, the rate of interest;
 - (VI) Whether unpaid fees or assessments may be enforced by imposing a lien on a lot under the terms of the Maryland Contract Lien Act; and
 - (VII) Whether lot owners will be assessed late charges or attorneys' fees for collecting unpaid fees or assessments and any other consequences for the nonpayment of the fees or assessments.
-

- I. See Section III of Part 8 of this Disclosure Statement as to (a) when the first annual assessment period will commence, and (b) how the annual assessment will be adjusted between the Declarant and the buyer at the settlement.
- II. The procedure for increasing or decreasing such fees or assessments is described in Article VI (3) of the HOA Declaration.
- III. Information regarding how fees or assessments and delinquent charges will be collected is provided in Articles VI (1), (5), (6) and (8) of the HOA Declaration.
- IV. Unpaid fees and assessments are a personal obligation of the Lot Owner. See Articles VI (1) and (8) of the HOA Declaration.
- V. Unpaid fees or assessments will bear interest at the highest rate allowed by law, provided that if no maximum rate is established by law, such interest will be computed at 18% per annum. See Article VI (8)(a) of the HOA Declaration.
- VI. Unpaid fees or assessments of the Homeowners Association may be enforced by imposing a lien on a Lot under the terms of the Maryland Contract Lien Act. See Articles VI (1), (8), and (9) of the HOA Declaration.

- VII. If a Lot Owner fails to pay a fee or assessment when it is due, the Lot Owner may be required to pay a late charge and the attorneys' fees incurred by the Homeowners Association in collecting such unpaid fee or assessment, and the Homeowners Association may foreclose the above mentioned lien by selling the Lot Owner's Lot and the improvements on the Lot in order to obtain funds to cover the unpaid fee or assessment. More detailed information concerning the remedies available to the Homeowners Association for the collection of unpaid fees and assessments, and the consequences to the defaulting Lot Owner of the exercise by the Homeowners Association of such remedies, is set forth in Articles VI (1), (5)(c), (8) and (9) of the HOA Declaration.

PART 12

If any sums of money are to be collected at settlement for contribution to the homeowners association other than prorated fees or assessments, a statement of the amount to be collected and the intended use of such funds.

No fee or assessment, other than the annual assessment referred to in Section I of Part 11 of this Disclosure Statement, will be collected at settlement for contribution to the Homeowners Association.

PART 13

A description of special rights or exemptions reserved by or for the benefit of the declarant or the vendor, including:

- (I) The right to conduct construction activities within the development;
- (II) The right to pay a reduced homeowners association fee or assessment; and
- (III) Exemptions from use restrictions or architectural control provisions contained in the declaration or provisions by which the declarant or the vendor intends to maintain control over the homeowners association.

I. Declarant's right to conduct construction activities within the Property.

- (a) The Declarant has retained the ownership of the rights-of-way laid out within the Property and has the right to construct streets and utilities within the rights-of-way. See Article III(1)(a) of the HOA Declaration.
- (b) The Declarant has the right to construct within the Common Areas facilities for water, sanitary sewer, storm water management, sediment control, gas, electric, telephone, television transmittal, and other utilities. See Article III (1)(b) of the HOA Declaration.
- (c) The Declarant is exempt from the architectural controls set forth in Article VII of the HOA Declaration.
- (d) The Declarant may erect construction and/or sales offices on any Lot which it owns and may erect advertising and directional signs on any such Lot or the Common Areas. See Article VIII (1)(a) of the HOA Declaration.

II. Declarant's right to pay a reduced Homeowners Association fee or assessment.

See Section II of Part 9 of this Disclosure Statement.

III. (a) Declarant's exemptions from use restrictions or architectural control provisions.

- (i) The Declarant is exempt from the architectural controls set forth in Article VII of the HOA Declaration.
- (ii) The Declarant is partially exempt from the residential use restriction of Article VIII (1) of the HOA Declaration.

- (iii) The Declarant is exempt from the restriction against subdivision of Lots into two or more Lots. See Articles VIII (3) and IX (1) of the HOA Declaration.
 - (iv) The Declarant is partially exempt from the restriction against the parking or storage of commercial vehicles on any Lot. See Article VIII (6) of the HOA Declaration.
 - (v) The Declarant is partially exempt from the restriction against the erection of signs on any Lot. See Articles VIII (1) and (7) of the HOA Declaration.
- (b) Provisions by which the Declarant intends to maintain control over the Homeowners Association.
- (i) The Declarant appointed the original members of the Board of Directors of the Homeowners Association in Article VI of the Articles of Incorporation.
 - (ii) The Declarant, as a Class B Member, is entitled to the number of votes equal to the product obtained by multiplying (i) three times (ii) the number of Lots then owned of record by the Declarant. All other Lot Owners, as Class A Members, are entitled to only one vote per Lot. The Class B membership will be converted to Class A membership on January 1, 1994, or at such earlier time as the total number of votes held by Class A Members equals or exceeds the total number of votes held by the Declarant. See Articles V (2) and (3) of the HOA Declaration and Article V (a) of the Articles of Incorporation. The effect of these voting provisions is that the Declarant will hold a majority of the votes in the Homeowners Association, and thus will be able to control the selection and removal of the directors and officers of the Homeowners Association, until the earlier of (1) the conveyance by the Declarant of record title to at least 15 Lots within the Property, or (2) January 1, 1994.

Miscellaneous special rights or exemptions reserved by or for the benefit of the Declarant.

- (i) Article IV (5) of the HOA Declaration permits the Declarant to amend the HOA Declaration without the consent of the Lot Owners where necessary to satisfy the requirements of any Secondary Financing Agency, as such term is defined in Article I (17) of the HOA Declaration.
- (ii) The Declarant has reserved the right to use the name "Old Harford Pines II". See Article IX (2) of the HOA Declaration.
- (iii) The Declarant has reserved the right to add a storm water management facility to the Property and to convey such

facility to the Homeowners Association. See Parts 3, 5 and 7 of this Disclosure Statement and Article IX(3) of the HOA Declaration.

- (iv) The Declarant has reserved the right to approve certain amendments to the Declarations and By-laws. See Article XIII (3) of the HOA Declaration, Article V (4) of the Open Space Declaration, Article III (4) of the Architectural Declaration, and Article XVII (1) of the By-laws.
- (v) During the period of Declarant control of the Homeowner's Association, the Declarant may appoint persons who are not Members of the Association to serve on the Board of Directors. See Article IV (1) of the By-Laws.
- (vi) The Declarant has reserved a right of approval over all architectural changes and additions made to the dwellings within the Property prior to January 1, 1996. See the Architectural Declaration.

EXHIBIT I

HOA DECLARATION

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ARTICLE I

DEFINITIONS

As used in this Declaration, the following terms shall have the meanings herein ascribed thereto, except to the extent otherwise expressly provided, or otherwise resulting from necessary implication. The terms herein defined are:

1. "Association" shall mean and refer to Old Harford Pines II Homeowners Association, Inc., its successors and assigns.
2. "Association Documents" shall mean and refer to this Declaration, the Plat, the Articles of Incorporation and By-laws of the Association, and any rules and regulations duly adopted by the Board of Directors, as each such document may be amended from time to time.
3. "Board of Directors" shall mean and refer to the Board of Directors of the Association.
4. "Common Areas" shall mean and refer to all areas of the Property, other than the Lots, owned or leased by the Association, or otherwise available to the Association for the common use, benefit and enjoyment of the Record Owners. The Common Areas to be owned by the Association at the time of the conveyance of the first Lot are the Open Spaces and Parking Areas.
5. "Declarant" shall mean and refer to James Keelty & Co., Inc., a Maryland corporation, its successors and any assignee to whom the Declarant specifically assigns in writing its rights as Declarant under this Declaration, provided that no such successor or assignee shall be deemed to be the Declarant unless such successor or assignee shall have acquired record title to more than three (3) undeveloped Lots for the purpose of improvement of each such Lot by construction thereon of a single family townhouse type dwelling (including, but not limited to, duplexes and triplexes).
6. "Eligible Holder" shall mean and refer to each Mortgagee who (a) holds a First Mortgage on a Lot, and (b) has given the Association written notice that it desires to receive written notice from the Association of any action requiring the consent of a specified percentage (such as a majority, 66-2/3% or 100%) of the Eligible Holders or of all Mortgagees.
7. "Lot" or "Lots" shall mean, refer to, and include one or more of the twenty (20) building lots contained within the Property and shown on the Plat, excepting in each case any public road or street and any Common Area, no part of which shall be included in any Lot.
8. "Material Change" shall have the meaning ascribed thereto in Article XIII(5) hereof.
9. "Doncaster Village" shall mean and refer to all those parcels of land shown on the plat entitled "Zoning Density Plat, Doncaster Village", dated April 25, 1984 and recorded among the Land Records of Baltimore County

in Plat Book E.H.K., Jr., No. 51, folio 54, which parcels collectively contain 129.9 acres of land, more or less.

10. "Member" shall mean and refer to each Record Owner of one or more Lots now or hereafter created or established on the Property. Whenever in this Declaration any action is required to be taken by a specified percentage of "each class of the then Members" of the Association, then such action shall be required to be taken separately by the specified percentage of the then Class A Members, as that term is defined in Article V(2) herein, and by the specified percentage of the then Class B Members, as that term is defined in Article V(2) herein. Whenever in this Declaration any action is required to be taken by a specified percentage "of the then Members" of the Association, then such action shall be required to be taken by the specified percentage of the then total Members of the Association, based on the allocation of votes set forth in Article V herein.

11. "Mortgage" shall mean and refer to a mortgage, deed of trust or other conveyance in the nature of a mortgage. "Mortgagee" shall mean and refer to the grantee named in a Mortgage or other conveyance in the nature of a Mortgage, the beneficiary or creditor secured under any deed of trust, and the heirs, personal representatives, successors and assigns of such grantee, beneficiary or creditor. "First Mortgage" shall mean, refer to and include a Mortgage with priority over all other Mortgages.

12. "Open Spaces" shall mean and refer to all those three (3) areas designated on the Plat as "H.O.A. Local Open Space", containing 0.213 acres, more or less, 0.441 acres, more or less, and 0.294 acres, more or less, respectively.

13. "Parking Areas" shall mean and refer to all those four (4) areas designated on the Plat as "H.O.A. Easement & Drainage & Utility Easement", two (2) of which areas are located on the northeast and southwest sides, respectively, of Demarest Court, and two (2) of which areas are located on the northeast and southwest sides, respectively, of Valles Court.

14. "Plat" shall have the meaning ascribed thereto in Paragraph 1 of the Explanatory Statement set forth above.

15. "Property" shall have the meaning ascribed thereto in Paragraph 1 of the Explanatory Statement set forth above, as such Property may be expanded pursuant to Article IX(3) herein.

16. "Record Owner" shall mean and refer to the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding record title to a Lot on the Property, as said Lot is now or may from time to time here after be created or established, either in his, her or its own name, or as joint tenants, tenants in common, tenants by the entirety, or tenancy in co-partnership, if the Lot is held in such real property tenancy or partnership relationship. If more than one person, firm, corporation, trustee or other legal entity, or any combination thereof, holds the record title to any one Lot, whether in a real property tenancy, partnership relationship or otherwise, all of same, as a unit, and not otherwise, shall be deemed a single Record Owner and shall be or become a single Member of the Association by virtue of ownership of such Lot. The term

"Record Owner", however, shall not include any contract purchaser, nor the owner of any redeemable ground rent issuing out of any Lot, nor shall it include any mortgagee named in any Mortgage covering any Lot, designed solely for the purpose of securing performance of an obligation or payment of a debt.

17. "Secondary Financing Agency" shall mean and refer to the Federal Housing Administration ("FHA"), Veterans Administration ("VA"), Federal National Mortgage Association ("FNMA") and Federal Home Loan Mortgage Corporation ("FHLMC"), and any successor of any such agency.

18. "Storm Water Management Parcel" shall have the meaning ascribed thereto in Paragraph 1 of the Explanatory Statement set forth above.

19. "0.328 Acre Parcel" shall have the meaning ascribed thereto in Paragraph 1 of the Explanatory Statement set forth above.

ARTICLE II

PROPERTY SUBJECT TO DECLARATION

The real property which is and shall be held, conveyed, encumbered, sold, leased, rented, used, occupied, and improved subject to the terms and provisions of this Declaration is the Property.

ARTICLE III

COMMON AREAS

1. Conveyance of Common Areas. Declarant shall grant and convey to the Association, and the latter shall take and accept from the former, a fee simple interest in the Open Spaces and the Parking Areas, all, however, subject to the covenants, conditions and restrictions hereinafter set forth, which are hereby imposed upon the aforesaid Common Areas for the benefit of Declarant, Association and Record Owners, their respective heirs, personal representatives, successors and assigns, and, in addition, subject to the following: Declarant hereby reserves unto and for itself (including any successors and assigns hereafter constituting the Declarant) the following:

(a) The beds, in fee, of Perring Road, Demarest Court and Valles Court, as shown on the Plat, for future conveyance to Baltimore County, Maryland. An easement for the use and enjoyment of each of said streets, together with the water, sanitary sewer, and storm water drainage lines, mains, facilities, and installations constructed, installed, maintained or operated thereunder is hereby granted to the Association and the Record Owners, their respective heirs, personal representatives, successors, and assigns, until such time as said streets are deeded to Baltimore County; and

(b) The right (i) to discharge surface water on the Common Areas in accordance with the natural flow thereof, or under any drainage or storm water management plan approved by Baltimore County, Maryland, (ii) to construct, install, use, operate, inspect, maintain, repair and replace storm water management and sediment control facilities thereon or therein, (iii) to construct, install, use, operate, inspect, maintain, repair and replace on, over or under the Common Areas, pipes, mains, conduits, drains, lines and

other facilities for water, sanitary sewer, storm water drainage, gas, electric, telephone, television transmittal and other utilities to provide adequate utility and other services to any Lot or to any other property within Doncaster Village, and (iv) to enter upon said Common Areas for such purposes and for the purpose of making openings and excavations therein, provided the ground and any paved areas be restored and left in good condition.

2. Limitations on Use of Common Areas. The Common Areas to be conveyed to the Association under this Declaration shall be deemed common use areas, property, and facilities, for the use, benefit and enjoyment, in common, of each present and future Member of the Association, who, by necessity, is a Record Owner of a Lot. Said Common Areas shall be retained in their natural state and no structure or improvement of any kind shall be constructed, installed, maintained or operated thereon by the Association or the Members, except and provided as follows:

(a) Structures or improvements designed exclusively for community or recreational use, such as shelters, benches, chairs, and other seating facilities, fences and walls, walkways, roads, driveways, parking areas, landscaping, and electric wiring and standards to provide illumination, may be constructed, installed, maintained and operated in and on the Open Spaces for the use, comfort, and enjoyment of Members of the Association, for the establishment, retention, and preservation of the natural growth or topography of the area, or for aesthetic reasons;

(b) Walkways, roads, parking areas, landscaping, electric wiring and standards to provide illumination, and bus stop facilities, including shelters and seating facilities, may be constructed, installed, maintained and operated in and on the Parking Areas for the use, comfort and enjoyment of Members of the Association; and

(c) The Association may install, erect, and maintain or cause or permit to be installed, erected, and maintained on, over, and under the various Common Areas all facilities and utilities of the kind and nature which the Declarant reserves the right to construct, install, maintain and operate on, over and under such Common Areas pursuant to Article III(1)(b) hereof.

3. Prohibition of Nuisances. Neither the Association nor its Members shall carry on any noxious or offensive activity upon the aforesaid Common Areas, nor shall anything be done thereon which is or is likely to become an annoyance or nuisance to the neighborhood.

4. Maintenance and Improvement. The Association shall improve, develop, supervise, manage, operate, examine, inspect, care for, preserve, repair, replace, restore, and maintain the aforesaid Common Areas, as from time to time improved, together with any items of personal property placed or installed thereon, all at its own cost and expense, and shall levy against each Member of the Association by assessment, as provided in Article VI hereof, a proportionate share of the aggregate cost and expense required for the care, maintenance and improvement of said Common Areas. For the purposes of this Article III(4), the portion of each forty (40) foot wide right-of-way running through the Property which is not located within the twenty-four (24) foot wide driving lane which Baltimore County (or prior to the dedication of such right-of-way to Baltimore County, the Declarant) is responsible for

cleaning, maintaining, repairing and replacing shall be deemed a Common Area which the Association is responsible for cleaning, maintaining, repairing and replacing.

5. Enforceability. The right of each Member of the Association to use the aforesaid Common Areas shall be subject to the terms, conditions, and provisions set forth in this Declaration and, further, shall be subject to any rule or regulation now or hereafter adopted by the Association for the safety, care, maintenance, good order, and cleanliness of said Common Areas. All of said terms, conditions, provisions, rules, and regulations shall inure to the benefit of and be enforceable by the Association and Declarant, or either thereof, their respective successors and assigns, against any Member of the Association, or any other person, violating or attempting to violate the same, or any thereof, either by action at law for damages or suit in equity to enjoin a breach or violation, or enforce performance of any term, condition, provision, rule or regulation. Further, the Association and Declarant shall each have the right summarily to abate or remove any breach or violation by any Member at the cost and expense of such Member; provided that if such abatement or removal requires altering or demolishing any item of construction, judicial proceedings shall be instituted prior to executing any such alteration or demolition.

ARTICLE IV

RECORD OWNERS AND PROPERTY RIGHTS

1. Rights and Privileges of Record Owners. Declarant shall hold, and hereafter grant and convey the Lots subject to the covenants, conditions, and restrictions hereinafter set forth, which are hereby imposed upon said Lots for the benefit of Declarant, Association, and Record Owners, their respective heirs, personal representatives, successors, and assigns, to the end and intent that each Record Owner of a Lot shall have and hold his Lot subject to the following: Each Record Owner, in common with all other Record Owners, shall have the right and privilege to use and enjoy the Common Areas for the purposes for which designed. Such right and privilege, which shall be appurtenant to and pass with the title to the Lot of each Record Owner, shall include particularly, but not by way of limitation, use and enjoyment of all Common Areas provided for the use, benefit, and enjoyment of the Record Owners, subject, however, to the right of the Association to suspend the voting rights and rights to use of any recreational facilities by a Record Owner for any period in which any assessment against his Lot remains unpaid and, for a period not to exceed sixty (60) days, for any infraction of published rules and regulations of the Association.

2. Delegation of Rights. Any Record Owner may delegate, in accordance with rules and regulations as stated in the By-Laws of the Association, his right of enjoyment to the Common Areas, with any facilities thereon, to the members of his family, his tenants or contract purchasers who reside on the Property.

3. Compliance with Rules, Regulations and Restrictions. Each Record Owner shall fully and faithfully comply with the covenants, agreements, and restrictions imposed by this Declaration on the use and enjoyment of the Common Areas and with any additional rules, regulations, and restrictions duly

adopted by the Association for the safety, care, maintenance, good order, and cleanliness of said Common Areas.

4. Dedications and Transfers to Public Agencies. The aforesaid rights, privileges, and easements of the Record Owners are at all times subject to the right of the Association to dedicate or transfer all or any part of its interest in the Common Areas, or to grant any easements, right of way, license, permit, lease or similar interest in the Common Areas, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the Members; provided, however, no such dedication, transfer or grant shall be effective unless an instrument, signed by Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Association (the votes of each class being computed separately), agreeing to such dedication or transfer has been recorded among the Land Records of Baltimore County, Maryland.

5. Declarant's Reservation of Right to Amend Declaration. The Record Owner of each Lot on the Property shall take and hold legal title to said Lot SUBJECT to the reserved right, power and authority of Declarant to modify, revise, amend or change in any appropriate manner of public record, any of the terms or provisions of this Declaration without the consent of the Record Owners. This reserved right, power and authority vested in Declarant (a) may be exercised IF AND ONLY IF a Secondary Financing Agency shall require such action as a condition precedent to the approval by such agency of the Property, or of one or more Lots thereon, for mortgage financing purposes; (b) shall be subject to the provisions of Articles XIII(4) and (5) hereof; and (c) shall expire automatically, simultaneously and coincident with the issuance of the aforesaid approval by at least three of the four Secondary Financing Agencies or on December 31, 1993, whichever shall sooner occur.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

1. Membership. The Record Owner of each Lot shall be a Member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot.

2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Except for Declarant, who shall be a Class B Member, a Class A Member shall be a Record Owner holding title to one or more Lots laid out on the Property. Each Class A Member in good standing shall be entitled to one vote per Lot, for each Lot owned by him, in all proceedings in which action shall be taken by Members of the Association.

Class B. A Class B Member shall be the Declarant. Each Class B Member in good standing shall be entitled to three votes per Lot for each Lot owned by such Member, in all proceedings in which action shall be taken by Members of the Association.

If more than one person, firm, corporation, trustee or other legal entity, or any combination thereof, as a Class A Member, or Class B Member, hold the

record title to any Lot, all of same, as a unit, and not otherwise, shall be deemed a single Class A or Class B Member of the Association, as the case may be. The vote of any Class A Member or Class B Member comprised of two or more persons, firms, corporations, trustees or other legal entities, or any combination thereof, shall be cast in the manner provided for in the Articles of Incorporation of the Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one vote per Lot, if a Class A Member, or more than three votes per Lot, if a Class B Member, for each Lot owned by them.

3. Membership Conversion. The Class B membership in the Association shall cease and be converted to Class A membership in the Association on January 1, 1994, or at such earlier time as the total number of votes held by Class A Members equals or exceeds the total number of votes held by Class B Members.

ARTICLE VI

COVENANT FOR ASSESSMENTS

1. Authorization of Annual and Special Assessments. The Declarant, for each Lot owned by it within the Property, hereby covenants, and each Record Owner, by acceptance of the deed hereafter conveying any such Lot to him, whether or not so expressed in such deed, shall be deemed to have covenanted and agreed to pay to the Association: (a) annual assessments, and (b) special assessments. Such annual and special assessments shall be established and collected as hereinafter provided. Each such annual or special assessment, together with interest, costs and reasonable attorney's fees which may be imposed thereon, shall be enforceable by a lien upon each of the Lots against which such assessment is made. Each such assessment, together with any interest, costs and reasonable attorney's fees imposed thereon, shall also be the personal obligation of the Record Owner holding title to any Lot at the time when the assessment fell due or was first payable. The personal obligation for any delinquent assessment, however, shall not pass to the Record Owner's successor or successors in title unless expressly assumed by such successor or successors. 189

2. Association's Use of Assessments. Assessments levied by the Association shall be used exclusively for the following purposes: promotion of the recreation, health, safety and welfare of the residents in or on the Property; improvement, operation, care and maintenance of the Common Areas, including casualty, liability and other insurance deemed necessary therefor; and payment of all public charges and assessments applicable to the Common Areas, except to the extent that such public charges and assessments may be levied against any Lot laid out on the Property so that same is payable directly by the Record Owner thereof, as, or in the same manner as, real property taxes assessed or assessable against the Lot.

3. Annual Assessments. Annual assessments shall be fixed and limited as follows:

(a) For any annual assessment period ending prior to January 1, 1990, the maximum annual assessment which may be imposed without the approval of the Members of the Association pursuant to Article VI(3)(c) hereof shall be

Two Hundred Dollars (\$200.00) per Lot. The Board of Directors of the Association may fix the annual assessment against the Members at an amount less than or equal to the maximum.

(b) For any annual assessment period commencing on or after January 1, 1990, the maximum annual assessment per Lot which may be imposed without the approval of the Members of the Association pursuant to Article VI(3)(c) hereof shall be increased each calendar year to one hundred ten percent (110%) of the maximum annual assessment per Lot for the previous calendar year. The Board of Directors of the Association may fix the annual assessment against the Members at an amount less than or equal to the maximum.

(c) The annual assessment may be increased above the maximum amount specified in Article VI(3)(a) or (b) hereof, as applicable, only with the approval of Members holding a majority of the votes appurtenant to each class of membership in the Association (each class voting separately). (For example, after Class B membership ceases to exist, the approval of the Record Owners of at least 11 of the 20 Lots on the Property will be required for the enactment of such an increase.)

4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment for the purpose of defraying, in whole or in part, the cost (a) of any construction, reconstruction, repair or replacement of any capital improvement located on the Common Areas, including fixtures and personal property related thereto, or (b) of otherwise serving the purposes set forth in Article VI(2) hereof, provided that any such assessment shall first be approved by Members holding a majority of the votes appurtenant to each class of membership in the Association (each class voting separately). (For example, after Class B membership ceases to exist, the approval of the Record Owners of at least 11 of the 20 Lots on the Property will be required for the enactment of a special assessment.)

5. Collection of Assessments.

(a) (i) Except otherwise provided in item (ii) of this Article VI(5)(a), each annual or special assessment must be fixed at a uniform rate for all Lots.

(ii) Neither the Declarant, nor any Lot to which it holds the record title, shall be exempt from the imposition of any annual or special assessment hereunder, but, notwithstanding anything elsewhere set forth herein: Each annual or special assessment made against any Lot to which the Declarant holds record title shall equal twenty-five percent (25%) of the annual or special assessment made against each Lot owned by a Record Owner other than Declarant, to the end and intent that the Declarant shall pay twenty-five percent (25%) of the per Lot annual or special assessment established under Article VI(3) or (4) hereof.

(b) Each annual or special assessment may be collected on a lump sum basis, or on a monthly or quarterly installment basis, at the discretion of the Board of Directors, which shall establish the due date of each such payment. The annual assessment shall not begin to accrue until the

first day of the first annual assessment period, and the first monthly or quarterly installment, if any, shall be prorated to said date.

(c) If any annual or special assessment is payable in installments, then upon default in the payment of any such installment on its due date, and the continuation of such default for fifteen (15) days after written notice of such default from the Board of Directors to the defaulting Record Owner, the entire unpaid principal balance thereof may, at the option of the Board of Directors, be accelerated, so that said entire assessment shall forthwith be due and payable.

6. Annual Assessment Periods. The first annual assessment period shall commence on the earlier of (a) a date to be determined by the Board of Directors or (b) the date the Class B membership ceases to exist, and the first annual assessment period shall end on December 31 of the same calendar year in which it commences. Thereafter, each calendar year shall be an annual assessment period. On or about the thirtieth (30th) day prior to the commencement of each annual assessment period, the Board of Directors shall finally determine the annual assessment (subject to the consent of the Members if and to the extent required by Article VI(3) hereof); and on or about the fifteenth (15th) day prior to the commencement of the annual assessment period, the Board of Directors shall formally levy against each Record Owner his share thereof, by noting the assessment and levy on the books of the Association and submitting a written billing to each Record Owner for the sum due by him. The failure or delay of the Board of Directors to determine any annual assessment or notify the Record Owners of their respective shares thereof as and when provided above shall not in any manner constitute a waiver or release of any Record Owner's obligation to pay his share of the Annual Assessment whenever the requisite determination and notification thereof eventually occurs. In the absence of (a) an annual determination of the annual assessment or (b) notification thereof to the Record Owners, each Record Owner shall continue to pay the monthly or quarterly installments, if any, due by him during the last annual assessment period for which an annual assessment has been determined and notice thereof has been given, all subject to acceleration or modification by the Board of Directors.

7. Certification of Payment of Assessments. The Association shall, upon demand in writing for the benefit of a specific person named therein, and for a reasonable charge, furnish a certificate within ten (10) days signed by an officer of the Association setting forth whether or not the assessments and charges on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments and charges on a Lot is binding upon the Association as of the date of its issuance. Failure of the Association to furnish such certificate in timely fashion shall be deemed conclusive proof to the party requesting same and fully binding upon the Association that said assessments and charges are fully paid and current. This provision shall not affect the authority of the Association to enforce its rights against the then Record Owner for any assessments and charges due and unpaid, but shall remove the effect thereof as a lien on the specified Lot if title is transferred of public record within sixty (60) days following such written demand.

8. Late Payments. (a) Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date, computed at the

highest rate allowed by law, provided, however, that if no maximum rate is established by law, said interest shall be computed at eighteen percent (18%) per annum. The Association may bring an action at law against the Record Owner personally obligated to pay the same, or foreclose the lien against the Lot subject to the assessment, and in either event, the Association shall be entitled to receive interest computed as provided above, actual costs of collection and reasonable attorney's fees, as well as the amount of the unpaid assessment. No Record Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

(b) In foreclosing the lien against the Lot subject to the assessment, the following shall apply (except as otherwise required by law): If there be any default in the payment of any assessment, annual or special, and such default shall continue for a period of thirty (30) days, the Association shall have the immediate right to enforce collection of the assessment through foreclosure in the same manner, and subject to the same requirements, as the foreclosure of mortgages on real property in the State of Maryland containing a power of sale or an assent to a decree. By the acceptance of any title to, or ownership of a Lot, the Record Owner shall be deemed to have expressly: (i) authorized enforcement and foreclosure of the lien of the assessment by the Association, in the same manner, and subject to the same requirements, as the foreclosure of mortgages on real property in this State, containing a power of sale or an assent to a decree; (ii) assented to the passage of a decree for the sale of his Lot after the continuance of his default for more than thirty (30) days; and (iii) covenanted, agreed and declared that, after the continuance of his default in payment of the assessment for more than thirty (30) days, Michael Keelty, acting as agent of the Association or any substituted person designated as the agent of the Association for such purpose by the recordation by the Association of a Deed of Appointment among the Land Records of Baltimore County, shall have the absolute power, right and privilege to sell the Lot of the defaulting Record Owner in accordance with the Public General Laws of the State of Maryland and the Maryland Rules of Procedure relating to foreclosure of mortgages, as such Laws and Rules are from time to time amended and supplemented; provided, however, that no action may be brought to enforce the lien except after ten (10) days' written notice to the defaulting Record Owner, given by certified or registered mail, return receipt requested, at the address of the defaulting Record Owner shown on the roster or books of the Association. Upon any sale hereunder of a Lot of a defaulting Record Owner, the proceeds shall be applied as follows: first, to the payment of expenses incident to such sale, including a commission to the party making the sale; second, to the payment of all claims of the Association against the defaulting Record Owner or the Lot, whether the same shall have matured or not; and third, the surplus, if any, to said defaulting Record Owner, or to whomever may be entitled to the same. It is expressly understood that, at any such sale, the Association may be a purchaser of the Lot, free and clear of any right or equity of redemption of the defaulting Record Owner, such right and equity being deemed expressly waived and released. The Association shall have the right both to institute suit for collection of the unpaid assessment and to enforce the lien of such assessment against the Lot of the defaulting Record Owner, provided there be but one satisfaction of the claim.

(c) The foregoing enumeration of the rights of the Association is made in furtherance, and not in limitation, of the rights and remedies conferred by law upon the Association to collect the assessments, annual or special, or to enforce any lien against the Lot of a defaulting Record Owner, and is not intended, by mention of any particular right or remedy, to limit or restrict the Association, which shall have all powers and rights necessary or convenient for collection of the assessments due it.

9. Priority of Liens. The lien of the assessments and charges provided for herein shall be subordinate to general and special assessments for real estate taxes on the Lot and the lien of any Mortgage covering the Lot, duly recorded (a) prior to the recordation of a statement of lien covering one or more past due assessments against such Lot, or (b) after receipt by the Mortgagee of a written statement issued by the Association pursuant to Article VI(7) hereof acknowledging that payments of all annual and special assessments and charges against the Lot are current as of the date of recordation of the Mortgage. No sale or transfer of a Lot shall relieve the transferee Record Owner of such Lot (a) from liability for any assessments thereafter becoming due or (b) from the lien thereof.

ARTICLE VII

ARCHITECTURAL CONTROLS

1. General Architectural Restrictions. ~~No Record Owner, except the~~ Declarant, shall construct, reconstruct, install or reinstall any building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, exterior lighting or other structure of any kind on any Lot, or make any addition thereto (including any awning or screening) or any change or alteration therein (including any retreatment by painting or otherwise of any exterior part thereof) until plans and specifications, in duplicate, showing the nature, kind, shape, height, colors, materials, locations, and approximate cost of such building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting, other structure, addition, change or alteration shall have been ~~submitted to and~~ approved in writing by the Board of Directors, or an architectural control committee comprised of three (3) or more Members appointed by the Board, which shall have the absolute right to refuse to approve any such plans and specifications which it deems unsuitable or undesirable, whether based on aesthetic or other reasons. In so passing upon such plans and specifications, the Board of Directors or architectural control committee shall have the right to take into consideration the use and suitability of the proposed building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting, other structure, addition, change or alteration, the location thereof, the materials of which it is to be built or made, and the color and design thereof, all with relation to the site upon which it is proposed to erect or keep the same, the degree of harmony created with respect to its surroundings, and the effect on the outlook from adjacent or neighboring Lots and dwellings. If the Board of Directors or its designated architectural control committee fails to approve or disapprove any building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting or other structure, or any addition thereto, or change or alteration therein, within thirty (30) days after the plans and specifications therefor, in duplicate, have been submitted to it, approval will be conclusively presumed.

2. Rebuilding Following Casualty. Notwithstanding the provisions of Article VII(1) above:

(a) If any building, porch, deck, sign, tank, pool, game facility, driveway, walkway, exterior lighting, other structure, addition, change or alteration is damaged or destroyed by fire or other casualty, such damaged or destroyed improvement may be rebuilt without the approval of the Board of Directors or architectural control committee, as applicable, provided that such damaged or destroyed improvement is rebuilt substantially in accordance with the plans and specifications used in the original construction of such damaged or destroyed improvement.

(b) If any building, porch, deck, sign, tank, pool, game facility, driveway, walkway, exterior lighting, other structure, addition, change or alteration is damaged or destroyed by fire or other casualty, and such damaged or destroyed improvement is not rebuilt substantially in accordance with the plans and specifications used in the original construction of such damaged or destroyed improvement, the Record Owner thereof (unless such Record Owner is the Declarant) shall not rebuild the damaged or destroyed improvement until plans and specifications, in duplicate, showing the nature, kind, shape, height, colors, materials, locations and approximate cost of the replacement structure shall have been submitted to and approved in writing by the Board of Directors or architectural control committee, which shall have the right to refuse to approve any such plans and specifications only if it reasonably determines that such replacement structure is not in substantial conformity with the design or architectural treatment of the other dwellings within the Property.

(c) If any dispute between a Record Owner, on the one hand, and the Association, the Board of Directors, the architectural control committee or another Record Owner, on the other hand, arises with respect to the interpretation or application of this Article VII(2) at any time after the termination of the Class B membership in the Association, such dispute shall be submitted to binding arbitration in accordance with the Construction Industry Arbitration Rules (or successor rules) of the American Arbitration Association or any successor thereof. This agreement to arbitrate and any award resulting therefrom shall be specifically enforceable in the courts under the laws of Maryland.

ARTICLE VIII

RULES AND REGULATIONS

1. Land Use. Each Lot shall be used for residential purposes only; and no building shall be erected, altered or maintained on any Lot other than a single family townhouse type dwelling (including, but not limited to, duplexes and triplexes), not exceeding two and one-half stories in height, except as provided as follows, if permitted within the zoning laws applicable to the Property:

(a) The Declarant shall have the right to use any Lots, and any improvements thereon, it may own from time to time as sales, rental and management offices and model units and for such other uses as the Declarant

may deem appropriate for the development, marketing (including sales and rentals) and management of any dwellings now or hereafter located within Doncaster Village, and in furtherance thereof, the Declarant may, among other things, install one or more construction and/or sales trailers upon any such Lot. The Declarant shall also have the right to erect upon any Lot it may own from time to time, and upon the Common Areas, such advertising and directional signs and other materials as the Declarant shall deem appropriate for the development, marketing and management of any dwellings now or hereafter located within Doncaster Village.

(b) Any part of any dwelling now or hereafter erected on any Lot may be used as an office or studio of a lawyer, architect, engineer, artist, accountant, or other professional person, for the practice of such profession, provided that (i) the professional person using such office or studio actually resides in the dwelling in which such office or studio is located, (ii) such professional person is fully licensed to perform the professional services being rendered, (iii) such office or studio is operated in full compliance with all applicable zoning and other laws, (iv) the operation of such office or studio does not involve the employment of any professional associate or more than one (1) non-resident employee, and (v) such office or studio does not occupy more than twenty-five percent (25%) of the total floor area of such dwelling.

2. Setbacks. No building, tank, pool, game facility or other structure of any kind, or any part thereof, shall be located on any Lot closer to the front Lot line or closer to the side street Lot line than the recorded minimum building setback lines. For the purposes of the covenant contained in this Article VIII(2), eaves, steps, open porches, bay windows, chimneys and patios shall be considered as a part of a building or structure.

3. Lot Subdivision. No Lot shall be subdivided into two or more lots, except as provided in Article IX(1) of this Declaration.

4. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which is or is likely to become an annoyance or nuisance to the neighborhood.

5. Temporary Structures. No structure of a temporary character, trailer, basement, shack, garage, barn or other outbuilding permitted to be erected on any Lot shall at any time be used as a residence, either temporarily or permanently.

6. Parking. All parking spaces located within the Parking Areas shall be for the use of all Record Owners, in common. No boat, or trailer of any kind, including a house trailer and boat trailer, unless located entirely within the building permitted to be erected, and no commercial or inc^{le} vehicle of any kind, shall be parked or stored on any Lot or Common except that the Declarant may park or store on any Common Area, or / may own from time to time such commercial vehicles as it deems appropriate the development, marketing and management of any dwellings now or hereafter located in Doncaster Village. For the purposes hereof, an automobile shall be deemed inoperable unless it contains all parts and equipment, including properly inflated tires and current license plates, in such good condition and

repair as may be necessary for any person to drive the same on a public highway.

7. Signs. Except as otherwise expressly provided in Section 1(a) hereof, no sign of any kind shall be erected, displayed or maintained on any Lot, except one lawful sign, no more than five (5) square feet, advertising the Lot for sale or rent.

8. Animals, Livestock and Poultry. No animals, livestock or poultry of any kind, including pigeons, shall be raised, bred or kept on any Lot, except that up to two (2) household pets, including dogs, cats and birds, and an unlimited number of fish, may be kept, provided that no such household pet or fish shall be kept, bred or maintained for any commercial purpose.

9. Fences and Walls. No fence or wall shall be erected, placed, altered or maintained on any Lot nearer to any street than the minimum building setback line established on the Lot. Where two adjacent dwellings are set back different distances from the street, no fence or wall between such two adjacent dwellings shall be closer to the street than the front wall of the dwelling most distant from said street. No fence or wall shall be erected except in compliance with Article VII hereof, and, when erected, shall not interfere with underground or surface utility or drainage structures, pipes, or ditches. The restrictions contained in this Section 9 shall not apply to retaining walls required by topography, which retaining walls, however, shall require the written consent of the Board of Directors, or its designated architectural committee, as provided in Article VII hereof.

10. Antennas. No outside or exterior antenna of any kind (including, without limitation, any satellite dish) for use with radio or television shall be installed or maintained on any Lot or Common Area, or on any building or other structure located on any Lot or Common Area, whether or not being a part thereof and whether or not being detachable therefrom.

11. Swimming Pools. No swimming pool of any kind shall be constructed, installed or maintained on any Lot, either above or below ground.

12. Leases. Each Lot and the structure(s) thereon may be leased for such term and under such conditions as the Record Owner thereof may desire, except as otherwise provided in this Article VIII(12). No Lot or structure thereon may be leased for a period of less than thirty (30) days. Furthermore, (i) each such lease shall be subject to the Association Documents, (ii) any breach or violation of any Association Document by the tenant shall constitute a default under the lease, and (iii) the tenant (as well as the landlord) shall be directly liable to, and subject to enforcement action(s) by, the Association for any breach or violation by the tenant of any Association Document. Each such lease shall be in writing, and shall set forth, and provide for the tenant's acknowledgment of, each of the provisions of the preceding sentence. The Record Owner of any leased Lot or structure shall promptly deliver to the Board of Directors a copy of the form of lease used, and a copy of each amendment which is made thereto from time to time. The Association, through the Board of Directors, shall be entitled, but not obligated, to exercise the default remedies of any Record Owner, as the landlord under any such lease, and upon any breach or violation by the tenant

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of any Association Document, the Board of Directors, after notice to the Record Owner and tenant of such breach or violation, and the failure of such Record Owner and tenant to correct the same within a reasonable time thereafter, shall be entitled, but not obligated, to summarily evict the tenant from the leased premises, subject to any applicable laws governing the speedy recovery of possession of lands or tenements in redress of a breach or violation of a lease.

ARTICLE IX

DECLARANT'S RIGHTS TO DEVELOP THE PROPERTY FREELY

1. Resubdivision. Each Record Owner, by acceptance of a deed for his Lot, whether or not it shall be so expressed in such deed, shall be deemed to have covenanted and agreed (i) that Declarant shall have no obligation to build or install any improvement on any of the Common Areas or any other land within the Property; and (ii) that Declarant shall have the right to resubdivide the Property in accordance with Baltimore County, Maryland regulations, provided that if one or more Secondary Financing Agencies have theretofore approved the Property, or one or more Lots thereon, for mortgage financing under any program other than a spot loan program, each such Secondary Financing Agency which has theretofore granted such approval shall have determined that the resubdivision is in accordance with the general plan theretofore approved by it.

2. License of Name "Old Harford Pines II". The Declarant hereby grants to the Record Owners and the Association (collectively, the "Licensees") a non-exclusive license to use the term "Old Harford Pines II" solely to identify the homeowners association hereby established. The Licensees shall not sell, assign or sub-license the use of said term to any other party. The term "Old Harford Pines II" may be used or licensed or both, under any terms acceptable to the Declarant, by the Declarant at any time and for any purpose. The Licensees have no right against the Declarant to complain of any such use or license, regardless of the proximity or similarity of use of the term "Old Harford Pines II" or any version(s) or variation(s) thereof by the Declarant or its direct or indirect licensees.

3. Expansion of the Property. (a) The Declarant hereby expressly reserves the right (to be exercised on or before December 31, 1995) to expand and add to the Property by subjecting to the covenants, terms, and conditions of this Declaration, the Storm Water Management Parcel, which parcel may, at Declarant's sole discretion, be improved or unimproved at the time it is added to the Property. Any land and improvements added to the Property pursuant to this Article IX(3) (i) may consist of open spaces containing such vegetation, if any, as the Declarant, in its sole discretion, may deem appropriate, and (ii) may contain any improvements permitted under Article III(1)(b) hereof and/or Article III(2)(a) hereof which the Declarant, in its sole discretion, may deem appropriate. The improvements, if any, constructed upon the Storm Water Management Parcel by the Declarant shall be constructed in accordance with such drawings and specifications as the Declarant, in its sole discretion, may deem appropriate.

(b) Expansion of the Property shall be effected by the Declarant (without need for the approval of any Record Owner or Mortgagee) by recordation in the Land Records of Baltimore County of an amendment to the Declaration describing the property then being added. In such Declaration amendment, the Declarant may (i) identify, and define the boundaries of, each Common Area and/or other area included within the added property, and (ii) include such other provisions as are required or permitted by this Declaration.

(c) The Declarant is not required to add the Storm Water Management Parcel to the Property, or to convey the Storm Water Management Parcel to the Association. If the Declarant elects to convey the Storm Water Management Parcel (and any improvements thereon) to the Association, the Association shall accept such conveyance, subject to the following provisions:

(i) The property interest so conveyed may be a fee simple interest, easement, or such other property interest as the Declarant, in its sole discretion, may elect to convey. Upon such conveyance, the land and improvements so conveyed shall constitute Common Areas.

(ii) Neither the Association nor its Members shall be required to pay any consideration for such conveyance, but the Association will be responsible for the operation, maintenance, repair and replacement of the Common Areas so conveyed (as more fully described in Article III(4) hereof), and for the payment of all real property taxes levied against the Association's interest in such Common Areas, and the expenses of such operation, maintenance, repair, replacement and taxes shall be assessed against the Members pursuant to Article VI hereof.

(iii) The Common Areas so conveyed shall be conveyed subject to (A) the covenants, conditions and restrictions of this Declaration, including, without limitation, the covenants, conditions and restrictions set forth in Articles III and IV hereof, and (B) any additional rights, rights-of-way, covenants, conditions, restrictions, setbacks and easements deemed necessary or advisable in the opinion of the Declarant to facilitate the development, construction, operation and maintenance of the Property and/or any other portion of Doncaster Village, or the conveyance or services of the Association; and, in particular, but not in limitation of the foregoing, the Declarant shall have the right to reserve, at or prior to the time such parcel is added to the Property, such access, parking, water, sanitary sewer, storm water drainage and other easements and rights-of-way on, over, under and across such parcel as are deemed appropriate by the Declarant. Each such right, right-of-way, covenant, condition, restriction, setback and easement shall run with and bind the Property, the Association, and the owners and occupants of all Lots contained within the Property, and their respective heirs, personal representatives, successors and assigns, forever, unless the recorded document establishing such right, right-of-way, covenant, condition, restriction, setback or easement specifically provides otherwise.

(iv) The improvements within and upon the Storm Water Management Parcel shall be, at the time of such conveyance, in compliance with all applicable Baltimore County laws.

ARTICLE X

INSURANCE

1. Types. The Association shall at all times keep all buildings and improvements now or hereafter owned or leased by, or otherwise available for the use of, the Association and situated on or within the Common Areas, to the extent insurable, insured against loss or damage by fire, flood, and other hazards, to the extent required by the By-Laws. The Association shall also maintain liability insurance.

2. Carriers and Amounts. All insurance required by this Article X shall be with such carriers and in such amounts as may be specified in the By-laws of the Association or determined by the Board of Directors pursuant to the By-Laws.

ARTICLE XI

CONDEMNATION, DESTRUCTION OR DISSOLUTION

1. Condemnation. The Association, immediately upon obtaining knowledge of the threat of the institution or the institution of any proceeding for the condemnation of the Common Areas or any portion thereof, shall notify all Members of the pendency thereof. Each Member hereby assigns, transfers and sets over unto the Association all compensation, rights of action, the entire proceeds of any award and any claim for damages for any of the Common Areas taken or damaged under the power of eminent domain or by condemnation or by sale in lieu thereof. The Association may, at its option, commence, appear in, and prosecute, in its own name, any action or proceeding with respect to the Common Areas, or make any compromise or settlement in connection with such condemnation, taking under the power of eminent domain or sale in lieu thereof. After deducting therefrom all of its expenses, including attorneys' fees, arising in connection with the negotiation, litigation and consummation of such condemnation or taking or sale in lieu thereof, the Association may elect to apply the proceeds of the award to the restoration or rebuilding of such Common Areas. Any net proceeds not so applied shall be retained by, and used for any proper purpose of, the Association.

2. Destruction. (a) In case of loss or damage to the Common Areas or improvements thereon by fire or other casualty, the Association may settle and adjust any claim under insurance policies which insure against such risks and to deduct therefrom costs and expenses of collection (including attorney's fees), and collect and receipt for any such insurance money. Any and all insurance proceeds received by the Association by reason of any damage or destruction of the Common Areas or improvements thereon shall be used for the cost of the rebuilding or restoration of the Common Areas and such improvements, except that if any excess of such proceeds over the cost of such rebuilding or restoration remains, the Association shall notify all Members, who shall vote regarding the use or application of the excess proceeds. If the Members fail to vote regarding such use or application, the excess proceeds shall be retained by, and used for any proper purpose of, the Association.

(b) If the net insurance proceeds, at the time available for the purpose, shall be insufficient to pay the entire cost of restoration, the Association shall notify all Members, who then shall vote regarding whether to authorize a special assessment for the purpose of making up the deficiency, prior to commencement of the restoration. If the Members fail to authorize such a special assessment, then the Association shall not be obligated to commence restoration.

(c) The term "net insurance proceeds" shall mean insurance money paid to the Association on account of damage or destruction of or to any part of the Common Areas or improvements thereon under the policies of insurance provided for herein, less the costs incurred in connection with the adjustment of the loss and collection thereof, including attorney's fees.

3. Dissolution. Upon any dissolution of the Association, after discharge of all corporate liabilities, the Board of Directors shall dispose of the assets of the Association by dedication thereof to any appropriate public agency to be used for purposes similar to those for which the Association was formed. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned, if practicable, to any nonprofit corporation, association, trust or other organization as shall at the time qualify as an organization or organizations exempt from taxation under Section 501(c) or 528 of the Internal Revenue Code of 1986, as amended from time to time, or the corresponding provision of any future United States revenue laws, as the Board of Directors may determine, preferably to a semi-public agency, to be used in furthering, facilitating or effectuating purposes similar to those for which the Association was formed.

ARTICLE XII

MAINTENANCE OF THE PROPERTY

1. Landscaping. All areas of each Lot, except those areas used for buildings, sidewalks and paved parking, shall be planted by the Record Owner or its agent(s) with vegetated cover and/or landscaped as soon as possible after final grading and maintained in such condition. All portions of the Common Areas, except those areas used for buildings, sidewalks and paved parking, shall be planted by the Association and its successors and assigns with vegetated cover and/or landscaped as soon as possible after final grading and maintained in such condition.

2. Dirt and Debris Removal. Dirt and debris accumulating on private roads and parking lots on any Lot shall be removed by the Record Owner or its agent(s), and dirt and debris accumulating on private roads and parking lots on the Common Areas shall be removed by the Association and its successors and assigns, all according to the following schedule: May through October, concurrent with grass mowing; November through April, monthly.

3. Snow Removal. Snow removal shall be by mechanical means except in severe snow and ice conditions, when deicing compounds may be used.

4. Fertilizers. Application of fertilizers, herbicides and pesticides shall not exceed recommendations of the University of Maryland Cooperative Extension Service.

5. Filling. Filling shall not occur in grassed or lined drainage ditches or swales.

ARTICLE XIII

GENERAL PROVISIONS

1. Enforcement. The Association, or any Record Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Record Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in nowise affect any other provisions of this Declaration, which shall remain in full force and effect.

3. Term, Amendment, Termination. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive terms of ten (10) years each, unless terminated prior to the end of any such term, effective as of the end of such term, by an instrument signed by Members holding at least seventy-five percent (75%) of the votes appurtenant to each class of membership in the Association (the votes of each class being computed separately). However, this Declaration may be amended at any time within twenty (20) years from the date of recordation hereof by an instrument signed by Members holding at least ninety percent (90%) of the votes appurtenant to each class of membership in the Association (the votes of each class being computed separately), and thereafter by an instrument signed by Members holding at least seventy-five (75%) of the votes appurtenant to each class of membership in the Association (the votes of each class being computed separately). Any such instrument shall be recorded among the Land Records of Baltimore County. However, this Declaration may not be amended so as to modify, impair or revoke any right or privilege reserved for the benefit of the Declarant, or so as to impose on the Declarant any obligation which is not also imposed on all Record Owners, without the prior written consent of the Declarant, and no such amendment shall take effect until an appropriate written instrument executed by the Declarant is recorded among the Land Records of Baltimore County.

4. Veto by FHA or VA. As long as there are Class B Members, the following actions may be vetoed by the FHA or the VA, if such agency has previously approved the Property, or one or more Lots thereon, for mortgage financing purposes: annexation of additional properties, mergers and consolidations; mortgaging of Common Areas; dissolution; and amendment or termination of this Declaration.

5. Approval by Eligible Holders. (a) Any amendment to this Declaration, to the Articles of Incorporation or By-laws of the Association, or to the Plat, involving any "Material Change", as said term is defined below, shall require the affirmative vote of a majority of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the

number of Lots upon which it holds First Mortgages. The term "Material Change" shall include a change to any of the following:

- (i) voting rights;
- (ii) assessments, assessment liens, or priority of assessment liens;
- (iii) reserves for maintenance, repair, and replacement of Common Areas;
- (iv) responsibility for maintenance and repairs;
- (v) reallocation of interests in the Common Areas, or rights to their use;
- (vi) definitions of Lot boundaries;
- (vii) convertibility of Lots into Common Areas or vice versa;
- (viii) expansion or contraction of the Property, or the addition, annexation or withdrawal of property to or from the Property;
- (ix) insurance or fidelity bond requirements;
- (x) leasing of Lots and the improvements thereon;
- (xi) imposition of any restrictions on a Record Owner's right to sell or transfer his or her Lot and the improvements thereon;
- (xii) a decision by the Association to establish self management when professional management had been required previously by the Association Documents or an Eligible Holder;
- (xiii) restoration or repair of the Property (after damage or partial condemnation) in a manner other than that specified in the Association Documents;
- (xiv) any action to terminate this Declaration, or to dissolve the Association, after substantial destruction or condemnation of the Property occurs; and
- (xv) any provisions that expressly benefit mortgage holders, insurers or guarantors.

A "Material Change" shall also include any other change judged to be material by any Eligible Holder; provided that if a proposed amendment does not involve any change described in items (i) through (xv) above, each Eligible Holder who fails to submit to the Association a written response to the proposed amendment within thirty (30) days after the Eligible Holder is given written notice (by certified or registered mail, return receipt requested) of the proposed amendment shall be deemed to have judged all changes resulting from

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the proposed amendment to be immaterial, and to have cast an affirmative vote with respect to the proposed amendment.

(b) This Declaration may not be terminated, and the Association may not be dissolved, for reasons other than substantial destruction or condemnation of the Property, without the affirmative vote of at least two-thirds (2/3) of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the number of Lots upon which it holds First Mortgages.

6. Approval by Baltimore County. Article XII hereof shall not be amended without the written approval of Baltimore County.

IN WITNESS WHEREOF, Declarant has hereunto set its hand and seal on the day and year first above written.

ATTEST:

JAMES KEELTY & CO., INC.

, Secretary

By: _____ (SEAL)
Vice President

STATE OF MARYLAND)
) to wit:
COUNTY OF BALTIMORE)

I HEREBY CERTIFY that on this _____ day of _____, 19____, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared _____, who acknowledged himself to be the _____ President of James Keelty & Co., Inc., and that he, as such _____ President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing in my presence the name of the corporation by himself as _____ President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission expires:

EXHIBIT II-A

OPEN SPACE DECLARATION

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Declaration, made this 3rd day of March, 1988, by JAMES KEELTY & CO., INC. (declarant), a corporation organized and existing under the laws of the State of Maryland.

DECLARANT 17.00
SM CLERK 17.00
#44515 C001 R02 T14. 03/04.

WITNESSETH:

WHEREAS, declarant is the owner of the hereinafter described property situate in the Ninth Election District of Baltimore County, Maryland, and, as such owner, desires to impose on the hereinafter designated open space tracts, the protective covenants, conditions and restrictions hereinafter set forth.

NOW, THEREFORE, declarant hereby declares that the said open space tracts shall be held, sold and conveyed subject to the following covenants, conditions and restrictions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the property and for the common benefit of declarant, owner and the residents.

NOT APPLICABLE
DATE 3/4/88

ARTICLE I

Definitions

As used in this Declaration, the following terms shall have the meanings herein ascribed thereto. The terms herein defined are;

(a) Plat. Plat means and refers to the plat entitled "Section Seven, Doncaster Village" and recorded among the Land Records of Baltimore County, Maryland, in Plat Book S.M., No. 58 Folio 25.

(b) Property. Property means and includes the entire parcel or tract of ground, containing 5.15 acres of land, more or less, shown on the plat.

(c) Open Space Tract. Open space tract means and includes each of those three parcels, containing approximately 0.213 acres, 0.441 acres and 0.294 acres, respectively, which are designated as "HOA Local Open Space" on the aforesaid plat, but excludes that parcel, containing approximately 0.328 acres, which is designated as "Local Open Space" on the aforesaid plat.

RECEIVED FOR TRANSFER
State Department of
Assessments & Taxation
for Baltimore County
3/4/88

TRANSFER TAX NOT REQUIRED
Director of Finance
BALTIMORE COUNTY, MARYLAND
Date 3-4-88

17

(d) Improvements. Improvements mean and include all structures of every kind, located on the open space tracts for the common use and enjoyment of the declarant, owner and the residents.

(e) Owner. Owner means and refers to the then record owner of each open space tract, whether comprised of one or more entities or persons associated in said ownership, except as follows: the grantee named in any mortgage, deed of trust or other conveyance in the nature of a mortgage, the beneficiary, creditor or other party secured under any deed of trust and the heirs, personal representatives successors and assigns of such grantee, beneficiary, creditor or other person, having any interest in such open space tract as security for the payment of money or the performance of an obligation is not included or encompassed by the term "owner".

(f) Declarant. Declarant means and refers to James Keelty & Co., Inc., its successors and assigns, to the extent any successor or assign acquires any open space tract or any part thereof.

(g) Residents. Residents mean and refer to the resident occupants of any residential structure erected on the property.

ARTICLE II

USE RESTRICTIONS

No part of any open space tract shall be used except for recreational, park, beautification, or amenity purposes, drainage and sediment control facilities, as required by Baltimore County, and underground public utility lines.

No noxious or offensive activity shall be carried on upon any open space tract, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

No sign of any kind shall be displayed to the public view on any open space tract, except one lawful sign, no more than five square feet in area, advertising the property for sale or rent, or signs used by declarant or a builder to advertise the property during the construction and sales period.

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any open space tract, except the dogs, cats or other household pets may be kept, if permitted under any lease or agreement between the owner and any of the residents, provided that they are not kept, bred, or maintained for a commercial purpose.

No part of any open space tract shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste, which shall not be kept in any open space tract, except in sanitary containers. All incinerators or other equipment on each open space tract, for the storage or disposal of any of the foregoing material, shall be kept in a clean and sanitary condition. All trash shall be collected in a manner approved by Baltimore County.

No private sewage disposal system shall be permitted on any open space tract, except a system connected to the Metropolitan Sanitary System.

No private water supply system shall be permitted on any open space tract, except a system connected to the Metropolitan Water Supply.

Nothing in this article shall be construed to prohibit traversing any open space tract with underground pipes or lines furnishing water, sewer, storm drainage, gas, electric, telephone, or cable television service to the property or the area in which same is located, and such lines or pipes may be installed in each open space tract.

ARTICLE III

BUILDING RESTRICTIONS

No structure of any kind or nature, except improvements normally used in connection with recreational, park, beautification or amenity purposes, or water, sewer, gas, electric, telephone, cable television drainage or sediment control facilities, shall be built on any open space tract.

ARTICLE IV

MAINTENANCE

The owner of each open space tract or its agent(s) shall supervise, manage, operate, examine, inspect, care for, preserve, replace, restore and maintain the open space tract and the improvements situated thereon in accordance with reasonable park and open space maintenance standards.

The owner of each open space tract shall assume responsibility for the continuing preservation and care of the open space tract and improvements thereon, including but not limited to, the removal of trash, debris and fallen trees, stumps and high grass which could reasonably be expected to contribute to accident, injury, or generally unsafe or unsanitary conditions.

ARTICLE V

GENERAL PROVISIONS

Section 1. Failure to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

Section 3. The covenants and restrictions of this Declaration shall run with and bind each open space tract in perpetuity, unless development or redevelopment thereof is permitted in accordance with applicable laws, ordinances, codes, zoning and policies of the State of Maryland and Baltimore County and such development or redevelopment is permitted to take place without the covenants, conditions, and restrictions stated herein.

Section 4. This Declaration may be amended by an effective instrument executed by the declarant, its successors or assigns, so long as such amendments are approved by Baltimore County, Maryland. No consent, approval or agreement of any resident shall be required at any time for the termination, amendment, modification or extinguishment of this Declaration, it being the intent hereof that any right privilege or benefit of any resident shall be dependent upon and derived from the rights reserved to the declarant.

WITNESS, the hand and seal of the declarant, the day and year first above written.

ATTEST:

JAMES KEELTY & CO., INC.

By: Ann D. Filbey

By: James Keelty, III
James Keelty, III President

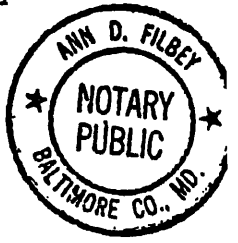
STATE OF MARYLAND, BALTIMORE COUNTY, TO WIT:

I HEREBY CERTIFY that on this 3rd day of March, 1988, before me, the subscriber, a Notary Public of the State of Maryland, in an for the County aforesaid personally appeared, James Keelty, III President of JAMES KEELTY & CO., INC., a body corporate, and acknowledged the foregoing Declaration of Covenants, Conditions and Restrictions to be the act and deed of said Corporation.

AS WITNESS my hand and Notarial Seal.

Ann D. Filbey
Notary Public Ann D. Filbey

My commission expires:
7/1/90



RECEIVED FOR BALTIMORE COUNTY
REQUIREMENTS
W. O. Jensen 3/3/88
ASSISTANT COUNTY SOLICITOR

MAIL To:
JAMES KEELTY & Co, Inc.
61 EAST PADONIA ROAD
POST OFFICE BOX 528
TIMONIUM, MARYLAND 21093

EXHIBIT II-B

ARCHITECTURAL DECLARATION

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

THIS DECLARATION is made this _____ day of _____, 19____, by James Keelty & Co., Inc., a Maryland Corporation, hereinafter called "Declarant".

R E C I T A L S

Declarant owns in fee simple the hereinafter described Subject Property, situated in the Ninth Election District of Baltimore County, Maryland, and intends to develop a residential community on part or all of the Subject Property. Declarant desires to subject the Subject Property to the covenants, conditions and restrictions hereinafter set forth in order to protect and enhance the value, desirability and attractiveness of the Subject Property.

NOW, THEREFORE, THIS DECLARATION WITNESSETH, Declarant hereby subjects the Subject Property to the covenants, conditions and restrictions hereinafter set forth, all of which shall run with the Subject Property and shall be binding on all parties having or acquiring any right, title or interest therein, or in any part thereof, and shall inure to the benefit of Declarant, its successors and assigns, the Owner and the Residents. However, James Keelty & Co., Inc. shall have no personal liability or responsibility for the performance of any covenant required to be performed hereunder after any grant, conveyance, transfer or other disposition of all of its right, title and interest in and to the Subject Property, but the liability and responsibility for performance of each covenant contained in this Declaration shall at all times rest only with the Owner of the Subject Property, determined as of the time any performance is required hereunder.

ARTICLE I

DEFINITIONS

As used in this Declaration, the following terms shall have the meanings herein ascribed thereto.

1. "Plat" means and includes the plat entitled "Section Seven, Doncaster Village", dated July 29, 1987, and recorded among the Land Records of Baltimore County in Plat Book S.M. No. 58, folio 25.
2. "Subject Property" means and includes all that tract of land, containing 5.15 acres, more or less, shown on the Plat, excluding (1) that area designated on the Plat as "Local Open Space" and containing 0.328 acres, more or less, and (2) that area designated on the Plat as "Storm Water Management Reservation" and containing 0.677 acres, more or less.
3. "Owner" means and includes the then record owner of the Subject Property, whether comprised of one or more entities or persons associated in said ownership, except as follows: the grantee named in any mortgage, deed of trust or other conveyance in the nature of a mortgage, the beneficiary,

creditor or other party secured under any deed of trust and the heirs, personal representatives, successors and assigns of such grantee, beneficiary, creditor or other person, having any interest in the Subject Property as security for the payment of money or the performance of an obligation is not included or encompassed by the term "Owner".

4. "Resident" means and includes each resident occupant of any residential structure erected on the Subject Property.

ARTICLE II

ARCHITECTURAL CONTROLS PERTAINING TO THE SUBJECT PROPERTY

1. No Owner, except the Declarant, shall construct or install any building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, exterior lighting, or other structure of any kind upon the Subject Property, or make any addition thereto (including any awning or screening) or change or alteration therein (including any retreatment by painting or otherwise of any exterior part thereof) until plans and specifications, in duplicate, showing the nature, kind, shape, height, colors, materials, locations and approximate cost of such building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting, other structure, addition, change or alteration, shall have been submitted to and approved in writing by Declarant or the successor or authorized agent of Declarant (said Declarant and its successors and authorized agents are hereinafter sometimes referred to individually and collectively as the "Monitor"), who shall have the absolute right to refuse to approve any such plans or specifications which it deems unsuitable or undesirable, whether based on aesthetic or other reasons. In so passing upon such plans or specifications, the Monitor shall have the right to take into consideration the use and suitability of the proposed building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting, other structure, addition, change or alteration, the location thereof, the materials of which it is to be built or made, and the color and design thereof, all with relation to the site upon which it is proposed to erect or keep the same, the degree of harmony created with respect to its surroundings and the effect on the outlook from adjacent or neighboring properties and dwellings. If the Monitor fails to approve or disapprove any building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting or other structure, or any addition thereto, or change or alteration therein, within thirty (30) days after the plans and specifications therefor, in duplicate, have been submitted to it, approval will be conclusively presumed.

2. In no event shall any exterior radio or television antenna (including, without limitation, any satellite dish) be placed anywhere upon the Subject Property or upon any improvement now or hereafter located upon the Subject Property.

ARTICLE III

GENERAL PROVISIONS

1. Declarant, its successors or assigns, the Owners and the Residents shall have the right to enforce, by any proceeding at law or in

equity, all covenants, conditions and restrictions now or hereafter imposed by this Declaration. The failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

2. Invalidation of any part of these covenants, conditions and restrictions by judgment or court order shall not affect any other provisions of this Declaration, which shall remain in full force and effect.

3. This Declaration shall run with and bind the Subject Property until January 1, 1996.

4. This Declaration may be amended only by an instrument (a) executed by the Declarant or its successor, and by all Owners of the Subject Property, and (b) recorded among the Land Records of Baltimore County.

IN WITNESS WHEREOF, Declarant has hereunto set its hand and seal on the day and year first above written.

ATTEST:

JAMES KEELTY & CO., INC.

Secretary

By: _____ (SEAL)
President

STATE OF MARYLAND)
) to wit:
OF BALTIMORE)

I HEREBY CERTIFY that on this _____ day of _____, 19____, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared _____, who acknowledged himself to be the President of James Keelty & Co., Inc., and that he, as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing in my presence the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission expires:

EXHIBIT III

ARTICLES OF INCORPORATION

Old Harford Pines II Homeowners Association, Inc.

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*The page numbers referred to in this Table of Contents are centered at the bottom of each page of the Articles of Incorporation.

ARTICLES OF INCORPORATION

THIS IS TO CERTIFY:

ARTICLE I: NAME AND ADDRESS OF INCORPORATOR

The undersigned, Richard A. Ransom, whose post office address is Weinberg and Green, 100 South Charles Street, Baltimore, Maryland 21201, being at least eighteen (18) years of age, is hereby forming a corporation under and by virtue of the general laws of the State of Maryland.

ARTICLE II: NAME OF CORPORATION

The name of the corporation, hereinafter called the "Corporation", is:

Old Harford Pines II Homeowners Association, Inc.

ARTICLE III: PURPOSES AND POWERS OF CORPORATION

The purposes for which the Corporation is formed are as follows: To organize and operate a real estate management association exclusively to provide for the acquisition, improvement, management, maintenance, care and preservation of the Common Areas, and to promote the recreation, health, safety and welfare of the residents of the Lots, upon the "Property" (as hereinafter defined), and upon any addition thereto as may hereafter be brought within the jurisdiction of this Corporation, no part of the net earnings of which is to inure to the benefit of, or be distributable to, any director, officer or member of the Corporation, or any other individual, so that no pecuniary gain or profit to the members thereof is contemplated, and for such general purposes, and limited to those purposes, the Corporation shall have the following powers:

(a) To acquire, own, hold, preserve, develop, improve, build upon, manage, operate, and maintain open space tracts or areas and common or recreational areas, property, facilities and real estate, whether fee simple or leasehold, and whether improved or unimproved, all designed for the common use, benefit, enjoyment, recreation, health, safety and welfare of the Record Owner of each Lot now or hereafter laid out or established within the "Property", as said term is defined within the Declaration of Covenants, Conditions and Restrictions made by James Keelty & Co., Inc., dated _____, 19__ and recorded among the Land Records of Baltimore County, Maryland, in Liber ____ No. ____, folio ____, as same may hereafter from time to time be amended (the "Declaration"). Each capitalized term used herein and defined in the Declaration shall have the meaning ascribed to such term by the Declaration.

(b) To exercise all the powers, rights and privileges, and to perform all the duties and obligations, of the Corporation, as the same are set forth in the Declaration.

(c) To establish, fix, make, impose, levy, collect and enforce payment of, by any lawful means, all charges or assessments made or established pursuant to the terms of the Declaration, and, from time to time,

increase or decrease the same, as the need therefor may require, to provide operating and reserve funds for, and pay all costs and expenses incurred in connection with: the preservation, development, improvement, operation, maintenance and care of the Common Areas, property and facilities held by the Corporation, and any convenience deemed desirable to or for the use and enjoyment thereof; and for any other corporate purposes, including particularly, but not by way of limitation, all office and other expenses incident to the business of the Corporation, premiums for casualty, liability and other insurance, all license and franchise fees or charges, and all taxes and assessments charged, levied or imposed on the property of the Corporation.

(d) To purchase, lease, option, or otherwise acquire, own, hold, preserve, develop, improve, build upon, manage, operate, maintain, convey, sell, exchange, rent, lease, dedicate for public use, or in any manner transfer or dispose of any real or personal property in connection with the affairs of the Corporation.

(e) To borrow or to raise money for any of the purposes of the Corporation, and to issue bonds, debentures, notes, or other obligations of any nature, and in any manner permitted by law, for money so borrowed or in payment for property purchased, or for any other lawful consideration, and, upon authorization by Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Corporation (each class voting separately), to secure the payment of the money borrowed and of the interest thereon, by mortgage upon, or pledge or conveyance or assignment in trust of, the whole or any part of the property of the Corporation.

(f) To participate in mergers and consolidations with other nonprofit organizations, organized for the same purpose, provided that any such merger or consolidation shall have the assent of Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Corporation (each class voting separately).

(g) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Stock Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

ARTICLE IV: PRINCIPAL OFFICE AND RESIDENT AGENT

The address of the principal office of the Corporation in this State is 61 East Padonia Road, P. O. Box 528, Timonium, Maryland 21093-0528. The name and post office address of the resident agent of the Corporation in this State is Richard A. Ransom, Weinberg and Green, 100 South Charles Street, Baltimore, Maryland 21201. Said resident agent is a citizen of the State of Maryland and actually resides therein.

ARTICLE V: MEMBERSHIP AND VOTING RIGHTS

(a) The Corporation is not authorized to issue any capital stock. The membership of the Corporation shall consist of the Record Owners of all Lots now or hereafter laid out or established on the Property. Each Member shall be designated either a Class A Member or a Class B Member. A description of each class of membership, with the voting rights and powers of each class, is as follows:

(i) Class A Member: Except for Declarant, who shall be a Class B Member, a Class A Member shall be a Record Owner of one or more Lots laid out on the Property. Each Class A Member in good standing shall be entitled to one vote per Lot, for each Lot owned by such Class A Member, in all proceedings in which action shall be taken by the Members of the Corporation.

(ii) Class B Member: The Class B Member shall be the Declarant. The Class B Member shall be entitled to three votes per Lot, for each Lot owned by such Member, in all proceedings in which action shall be taken by the Members of the Corporation.

(iii) Conversion: The Class B Members shall be converted to Class A Members on January 1, 1994, or at such earlier time as the total number of votes held by Class A Members equals or exceeds the total number of votes held by Class B Members.

(b) Membership in the Corporation shall be appurtenant to and may not be separated from the ownership of any Lot. Conversely, the Record Owner of each Lot shall be a Member of the Corporation.

(c). At any annual or special meeting of the Members, the presence, in person or by proxy, of Members holding at least twenty-five percent (25%) of the votes appurtenant to each class of membership in the Corporation (the votes of each class being computed separately) shall constitute a quorum for any action, unless a greater number or percentage of votes is required by another provision of these Articles of Incorporation, by the Declaration or By-laws, or by statute. If, however, such quorum shall not be present at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present.

(d) A majority of the votes cast (the votes cast by all classes of Members being combined) at a meeting of Members duly called and at which a quorum is present shall be sufficient to approve any matter which may properly come before the meeting, unless (1) a greater number or percentage of votes, and/or (2) the separate computation of the votes of each class, is required by another provision of these Articles of Incorporation, by the Declaration or By-laws, or by statute.

ARTICLE VI: BOARD OF DIRECTORS

The number of directors of the Corporation shall be three (3), which number may be increased or decreased pursuant to the By-Laws of the Corporation, but shall never be less than three (3); and the names of the directors who shall act until the first annual meeting or until their respective successors are duly chosen and qualify are Catherine T. Heuer, Frank R. Hodgetts and Michael J. Keelty.

ARTICLE VII: DURATION AND DISSOLUTION OF CORPORATION

(a) The duration of the Corporation shall be perpetual. Subject to subparagraph (b) of this Article VII and to Article IX hereof,

however, the Corporation may be dissolved under and in accordance with the laws of the State of Maryland, provided such dissolution first be authorized, in writing, signed by Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Corporation (the votes of each class being computed separately).

(b) The Corporation may not be dissolved after substantial destruction or condemnation of the Property without the affirmative vote of a majority of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the number of Lots upon which it holds First Mortgages. The Corporation may not be dissolved for reasons other than substantial destruction or condemnation of the Property, without the affirmative vote of two-thirds (2/3) of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the number of Lots upon which it holds First Mortgages.

(c) Upon any dissolution of the Corporation, after discharge of all corporate liabilities, the Board of Directors shall dispose of the assets of the Corporation by dedication thereof to any appropriate public agency to be used for purposes similar to those for which the Corporation was formed. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned, if practicable, to any nonprofit corporation, association, trust or other organization as shall at the time qualify as an organization or organizations exempt from taxation under Section 501(c) or 528 of the Internal Revenue Code of 1986, as then amended from time to time, or the corresponding provision of any future United States revenue laws, as the Board of Directors may determine, preferably to a semi-public agency, to be used in furthering, facilitating or effectuating purposes similar to those for which the Corporation was formed.

ARTICLE VIII: AMENDMENTS

Amendment of these Articles shall require the assent of Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Corporation (each class voting separately). In addition, any amendment to these Articles involving a Material Change shall require the affirmative vote of a majority of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the number of Lots upon which it holds First Mortgages.

ARTICLE IX: VETO BY FHA OR VA

As long as there are Class B Members, the following actions may be vetoed by the FHA or the VA, if such agency has previously approved the Property or one or more Lots thereon for mortgage financing purposes: annexation of additional properties; mergers and consolidations; mortgaging of the Corporation's interest in any Common Area; dissolution; and amendment of these Articles.

ARTICLE X: DIRECTOR AND OFFICER LIABILITY

To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers, no director or

officer of the Corporation shall be liable to the Corporation or its Members for money damages. Neither the amendment nor repeal of this Article X, nor the adoption or amendment of any other provision of these Articles, the Declaration or the By-laws inconsistent with this Article X, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation and acknowledged the same to be my act on this ____ day of _____, 19__.

WITNESS:

Richard A. Ransom

EXHIBIT IV

BY-LAWS

Old Harford Pines II Homeowners Association, Inc.

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BY-LAWS
OF
OLD HARFORD PINES II HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME

The name of the corporation is OLD HARFORD PINES II HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association".

ARTICLE II

DEFINITIONS

Section (1). Declaration. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Property dated , 19 , executed by the Declarant, and recorded among the Land Records of Baltimore County, Maryland, in Liber S.M. No. , folio , as same may hereafter from time to time be amended.

Section (2). Capitalized Terms. Each capitalized term used herein and defined in the Declaration shall have the meaning ascribed thereto in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section (1). Annual Meetings. The annual meeting of the Members shall be held at such place within Baltimore County or Baltimore City as may be designated by a majority of the Members, the Board of Directors or the manager of the Association at 8:00 p.m. on the first Thursday of December of each year (or on such other date, or at such other time, as may be fixed by such majority, board or manager), for the election of directors and for the transaction of general business.

Section (2). Special Meetings. Special meetings of the Members may be called at any time by the president, by the Board of Directors, by any Class B Member, or upon the written request of Members holding at least one-fourth (1/4) of the votes held by all Class A Members.

Section (3). Notice of Meetings. At least fifteen (15), but not more than thirty-five (35), days' written or printed notice of every annual meeting and every special meeting of the Association shall be given by the Board of Directors or the manager to each Record Owner whose name appears as such upon the roster or books of the Association thirty-five (35) days prior to the day of the meeting. Such notice of an annual or special meeting shall state the place, day and hour of such meeting, and, in the case of a special meeting, shall also state the business proposed to be transacted thereat.

Such notice shall be given to each Member either by delivering the same to him or by mailing it postage prepaid and addressed to him at his address as it appears upon the roster or books of the Association, as aforesaid. No notice of the time, place or purpose of any meeting of Members need be given to any Member who attends in person, or by proxy, or who, in writing, executed and filed with the records of the meeting, either before or after the holding thereof, waives such notice. The record date for determining the Members entitled to vote at any meeting of the Members shall be the date established in this Section 3 for determining the Members entitled to notice of such meeting.

Section (4). Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of legal title to his Lot (other than as security for a loan).

Section (5). Action Taken Without a Meeting. The Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Members (and of all Mortgagees, if Mortgagee consent is required for the taking of such action). Any action so approved shall have the same effect as though taken at a meeting of the Members.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section (1). Number and Qualification. Subject to the right of the Board of Directors to employ a manager, as provided in Article VII of these By-laws, the affairs of the Association shall be managed by a Board of Directors. So long as there are one or more Class B Members, any person may serve as a director. After all Class B memberships have ceased, each director shall be (a) a Member, either in his own name, or as a joint tenant, tenant in common, tenant by the entirety, or co-partner, if his Lot is held in a real property tenancy or partnership relationship, or (b) the spouse of a Member, or (c) an officer or agent of a corporate Member. For each membership, there shall be no limit as to the number of joint tenants, tenants in common or tenants by the entirety, co-partners, officers or agents of the Member who may serve as directors at the same time. The Board shall consist of three (3) directors, which number may be increased or decreased by a vote of the Members at any annual meeting, but shall never be less than three (3).

Section (2). Term. At the first annual meeting, the Members shall elect two (2) directors for a term of one year and one (1) director for a term of two years. Any increase in the number of directors shall be filled by the Members at the annual meeting at which such increase in the number of directors is adopted. The term of each such additional director shall be fixed at two (2) years. At the expiration of the initial term (not including any term of office commencing prior to the first annual meeting of the Members) and any subsequent term of office of each director, his successor shall be elected by the Members at an annual meeting to serve for a term of two (2) years. Each director elected as provided in this Section 2 (a) may,

if reelected, succeed himself and (b) shall hold office until his successor shall be elected and qualified, or until he shall die, resign, cease to qualify, or be removed.

Section (3). Vacancies. If any director shall die or resign, or shall cease to qualify for directorship under Section 1 of this Article IV, or if the Members of the Association shall remove any director without appointing another in his place, a majority of the remaining directors, although such majority is less than a quorum, may elect a successor (the "replacement director") to hold office until the next succeeding annual meeting of the Association, and until the replacement director's successor shall be elected and qualified, or until the replacement director shall die, resign, cease to qualify, or be removed. Vacancies in the Board of Directors created by an increase in the number of directors may be filled by the vote of a majority of the Members of the Association present and voting at an annual meeting of the Association, and the director so elected to fill any such vacancy shall hold office until the second (2nd) succeeding annual meeting of the Association, and until his successor shall be elected and qualified, or until he shall die, resign, cease to qualify, or be removed.

Section (4). Removal. At any annual meeting of the Members of the Association, or at any special meeting of the Members of the Association called for that purpose, any director may be removed from the Board, with or without cause, by a majority of the Members of the Association present and voting, and another may be appointed in the place of the person so removed to serve for the remainder of his term. Removal of any director under the provisions of this Section shall, ipso facto, terminate the right of such director to hold any executive office of the Association.

Section (5). Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section (1). Nominating Committee. On or before September 1 of each year, the Board of Directors may appoint a nominating committee, comprised of three (3) Members, and, if such committee is so appointed, the Board shall promptly notify the Secretary of the Association, in writing, of the names of the committee members. This nominating committee shall, at least thirty (30) days prior to the annual meeting of the Association, nominate not less than such number of candidates for membership on the Board as may be required to be filled through election at such annual meeting, and forthwith submit its nominations to the Secretary of the Association. The decision of a majority of the members of the nominating committee shall be reported as the decision of the nominating committee.

Section (2). Other Nominations. In addition to the nominations, if any, made by the nominating committee for membership on the Board of Directors, as aforesaid, nominations may be made by any Member at or prior to

any annual meeting of the Association. Each nomination made prior to the annual meeting shall be submitted in writing to the Secretary of the Association.

Section (3). Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Cumulative voting is not permitted. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

MEETINGS OF DIRECTORS

Section (1). Regular and Special Meetings. Within seven (7) days after the annual meeting of the Members, the Board of Directors shall meet at such time and place as shall be fixed by the Members at said annual meeting, in which case no notice to the directors shall be necessary, or if no time and place was fixed for such meeting at the annual meeting of the Members, then the Board shall meet within seven (7) days following the day of such annual meeting, at such time, date and place as may be fixed by a majority of the directors. In addition to the foregoing meeting, regular meetings of the Board of Directors shall be held at such other time and place as may be fixed from time to time by a majority of the directors. Special meetings of the Board of Directors may be called by the President or by a majority of the directors, either by vote or in writing. All regular and special meetings of the Board shall be held in Baltimore City or Baltimore County, Maryland. Notice of the place, day and hour of every regular and special meeting shall be given to each director (a) in writing, either mailed to him, postage prepaid, not later than the fifth (5th) day before the day set for the meeting, or delivered to him personally not later than the day before the date set for the meeting, or (b) by telegraph or telephone not later than the day before the date set for the meeting. No notice of the time or place of the meeting need be given to any director who, in writing, executed and filed with the records of the meeting, either before or after the holding thereof, waives such notice, or, in fact, attends the meeting.

Section (2). Quorum. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section (3). Telephone Meetings. Members of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment, if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section (4). Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section (1). Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the Members and their guests thereon, and establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation of the Association, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, and/or such other employees as it deems necessary, and prescribe their duties.

Section (2). Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by any Class B Member or by one-fourth (1/4) of all Class A Members;

(b) supervise all officers, agents and employees of this Association, and see that their duties are properly performed;

(c) determine, notify the Record Owners of, collect and enforce annual and special assessments as provided in Article VI of the Declaration;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid, as provided in Article VI(7) of the Declaration;

(e) procure and maintain liability and hazard insurance on property owned by the Association as provided in Article XII hereof;

(f) procure and maintain fidelity bonds as provided in Article XII hereof;

(g) cause the Common Areas to be maintained; and

(h) establish and cause to be maintained, out of annual assessments, a reasonable reserve fund for the periodic maintenance, repair and replacement of improvements, if any, in and on the Common Areas.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section (1). Executive Officers. The executive officers of the Association shall be a president, a vice president, a secretary, and a treasurer, or, if there be less than four (4) members of the Board of Directors, then a secretary-treasurer, instead of a secretary and a treasurer, each of whom shall be a member of the Board of Directors, and such other officers as the Board from time to time considers necessary for the proper conduct of the affairs of the Association. ~~A director appointed as such by the Board of Directors shall not be eligible to serve as president or vice-president unless and until said director is thereafter elected (to serve another term) as a director at an annual meeting of the Association, unless no other member of the Board of Directors is eligible and willing to hold such office.~~ The executive officers shall be elected every year by the Board of Directors at its first meeting following the annual meeting of the Members of the Association. Each such officer shall hold office for a term of one (1) year, and thereafter, until his successor is elected and qualified, or until his death, disqualification, resignation or removal. The powers and duties of the executive officers of the Association shall be subject to the powers of any manager employed by the Association or the Board of Directors, to the extent set forth in the contract of employment of such manager.

Section (2). Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section (3). Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section (4). Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section (5). Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 2 of this Article VIII.

Section (6). Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign deeds, deeds of trust, mortgages, leases and other written instruments to the extent required by Section 7 of this Article VIII.

Vice President

(b) The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by an independent accountant at the completion of each fiscal year, if an outside audit is required pursuant to Article X hereof; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

Section (7). Contracts, Agreements and Other Instruments. No deed, deed of trust, mortgage, lease, bond, bill of sale, assignment, contract, agreement, promissory note, check, or any other instrument or document intended to bind the Association shall be valid or binding unless signed (a) by two officers of the Association, one of whom shall be the president or vice-president, or (b) by the manager of the Association (except that the manager shall not have the authority to execute deeds, deeds of trust, mortgages, leases, and promissory notes on behalf of the Association). Each professional management contract, if any, entered into by the Association while the Association has a Class B Member shall provide such contract may be terminated by the Association without cause and without penalty on not more than ninety (90) days' written notice, and that such such contract may be terminated by the Association with cause on not more than thirty (30) days' written notice.

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ARTICLE IX

COMMITTEES

The Association may appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE X

BOOKS AND RECORDS

The Board of Directors shall keep the books of the Association, with detailed accounts in chronological order, noting all receipts and expenditures affecting the Property and its administration, and specifying the maintenance and repair expenses of the Common Areas and any other expenses incurred. A separate account shall be maintained for each Lot, showing the amount of each assessment of common expenses against such Lot, the date or dates same may be due, the amount paid thereon, and the unpaid balance thereof. Upon any sale or other transfer of a Lot, the new Record Owner or his agent shall provide to the Association, to the extent available, the name and forwarding address of the prior Record Owner, the name and address of the new Record Owner, the date of settlement, and the proportionate amounts of any outstanding assessment assumed by each of the parties to the transaction, and all such information shall be recorded in the assessment account which is maintained for such Lot. The books, together with all bills, statements and vouchers accrediting the entries made thereupon, all other records kept by the Board, and copies of the Association Documents shall be available for examination and copying by any Record Owner and any holder, insurer or guarantor of a Mortgage on a Lot, and the duly authorized agents or attorneys of any such Record Owner, holder, insurer or guarantor, during normal business hours and after reasonable notice. All books and records of the Association shall be kept in accordance with good accounting practices, on a consistent basis. An outside audit shall be made with respect to any fiscal year of the Association at the election of the Board of Directors or upon the written request of any Class B Member or of Members holding at least one fourth (¼) of the votes held by all Class A Members, and the cost of such audit shall be a common expense. If no audit is made on behalf of the Association as above provided, any Mortgagee shall have the right to obtain an outside audit at its own expense. A written report summarizing all receipts and expenditures of the Association shall be rendered semi-annually by the Board of Directors to the Members. Promptly after the close of each fiscal year, an annual report of the receipts and expenditures of the Association, certified by an independent accountant (if an outside audit was obtained on behalf of the Association) or otherwise by the treasurer, shall be rendered by the Board of Directors free of charge to each Record Owner, and to any holder, insurer or guarantor of a Mortgage on a Lot, within a reasonable time after receipt of a written request therefor from such holder, insurer or guarantor. In addition to keeping the foregoing financial books and records, the Board of Directors shall keep detailed records of its actions, minutes of its meetings, and minutes of meetings of the Association.

ARTICLE XI

RESERVE FUNDS

Section (1). Creation and Investment of Funds. From and after the commencement of the first annual assessment period, the Board of Directors shall establish and maintain a reasonable repair and replacement reserve fund (if appropriate), and reserve funds for such other purposes, if any, as it deems appropriate. Such reserves shall be deposited in a special account, but may be invested in (i) obligations fully guaranteed as to principal by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or any successor thereof, and/or (ii) money market funds distributed by New York Stock Exchange member firms.

Section (2). Repair and Replacement Reserve Fund. The repair and replacement reserve fund, if any, shall be used for the maintenance, repair, and replacement of the Common Areas and any improvements thereon for which the Association is responsible, provided, however, that such reserve may be used for such other purposes as are approved (i) by Record Owners having at least two-thirds (2/3) of the votes appurtenant to all Lots, and (ii) by a majority vote of the Eligible Holders, provided that each such Eligible Holder shall have the number of votes appurtenant to the Lot or Lots upon which it holds a Mortgage or Mortgages.

Section (3). Contributions to Capital. All funds assessed for payment into, or otherwise credited to, any reserve fund shall be deemed contributions to the capital of the Association made or to be made by the Record Owners, and same shall be shown on the balance sheet and other financial records of the Association as "paid-in-surplus", or its equivalent, to the end and intent that none of the reserve funds received or retained by the Association shall be considered as income for tax purposes.

ARTICLE XII

INSURANCE

The Board of Directors shall maintain, or cause to be maintained, in the name of the Association, policies of insurance in insurance companies which are (a) licensed to do business in the State of Maryland, and (b) customarily acceptable to mortgage lenders in Baltimore County, to the extent reasonably obtainable, as follows:

Section (1). Fire and Flood Coverage. The Board of Directors shall maintain fire and extended coverage insurance, including a standard "all risk" endorsement, on all buildings and other improvements, if any, owned or leased by, or otherwise available for the use of, the Association and situated on or within the Common Areas, and all building service equipment and supplies and other personal property owned by the Association, to the extent insurable, in an amount equal to one hundred percent (100%) of the current replacement cost of the insured property. If any such improvements and/or personal property are located within an area in which the purchase of flood insurance is required as a condition for federal or federally related financial assistance, the Board of Directors shall also cause such improvements and personal

property to be insured against flood loss in an amount not less than the lesser of the maximum coverage available for such improvements and personal property under the National Flood Insurance Program, or one hundred percent (100%) of the current replacement cost of such improvements and personal property. So long as Federal National Mortgage Association ("FannieMae") or Federal Home Loan Mortgage Corporation ("FHLMC") holds a Mortgage on any Lot, each such policy (i) shall include, to the extent required by such holder, an all-risk endorsement, an agreed amount endorsement, an inflation guard endorsement, a demolition cost endorsement, a contingent liability from operation of building laws endorsement, an increased cost of construction endorsement, a steam boiler and machinery coverage endorsement, and such other endorsements as such holder customarily requires, and (ii) shall comply with any other requirements (including, but not limited to, requirements as to deductible amounts) customarily imposed by such holder with respect to fire or flood insurance policies of homeowners association projects. In lieu of the foregoing insurance, the Board of Directors may maintain such other insurance against loss, damage or destruction of the improvements on or within the Common Areas as shall give substantially equal or greater protection to the Association, FannieMae and FHLMC, as applicable.

Section (2). Builder's Risk Coverage. During any construction, repair or restoration by the Association of improvements on or within a Common Area, the Board of Directors shall maintain a standard builder's risk casualty insurance policy with extended coverage, including vandalism and malicious mischief, in an amount equal to the full value of the improvements when completed.

Section (3). Liability Coverage. The Board of Directors shall maintain liability insurance coverage in an amount of at least \$1,000,000 for bodily injury, death and property damage for any single occurrence. Such insurance shall cover bodily injuries, death and property damage resulting from the operation, maintenance or use of the Common Areas and any other areas under the Association's supervision, including any such areas leased to others, and shall also cover, if applicable, any legal liability that results from law suits related to employment contracts in which the Association is a party. The Board of Directors shall also maintain, if applicable, host liquor liability insurance, employer's liability insurance, comprehensive automobile liability insurance, and/or contractual and all-written contract insurance.

Section (4). Directors and Officers Liability Coverage. The Board of Directors shall maintain directors and officers liability insurance equal to at least One Million Dollars (\$1,000,000.00).

Section (5). Fidelity Bonds. The Board of Directors shall maintain blanket fidelity bond coverage for all officers, directors and employees of the Association and all other persons handling, or responsible for, funds of, or administered by, the Association. If a manager has the responsibility for handling or administering funds of the Association, the manager shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The fidelity bond covering the officers, directors and employees of the Association shall name the Association as an obligee. Each fidelity bond shall be in an amount not less than the estimated maximum amount of

funds, including reserve funds, in the custody of the Association or the manager, as the case may be, at any given time during the term of such bond. However, in no event may the aggregate amount of such bonds be less than an amount equal to the sum of (a) one-fourth (1/4) of the estimated annual operating expenses of the Association, and (b) all amounts then held in reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the manager, shall be paid by the Association as a common expense.

Each policy of insurance maintained pursuant to this Article XII shall provide for at least ten (10) days' notice to the Association before the insurer may cancel or substantially modify it.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: the name of the Association and the word "Maryland" inscribed around the outer edge; and with the words "Corporate Seal" or "Incorporated" and the year of incorporation inscribed in the center.

ARTICLE XIV

INDEMNIFICATION

To the maximum extent permitted by Maryland law in effect from time to time, the Association shall indemnify, and shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to, (i) any individual who is a present or former director or officer of the Association or (ii) any individual who serves or has served another corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director or officer of such corporation or as a partner or trustee of such partnership, joint venture, trust or employee benefit plan at the request of the Association. The Association may, with the approval of its Board of Directors, provide such indemnification and advancement of expenses to a person who served a predecessor of the Association in any of the capacities described in (i) or (ii) above and to any employee or agent of the Association or a predecessor of the Association.

Neither the amendment nor repeal of this Article XIV, nor the adoption or amendment of any other provision of these By-laws, the Articles of Incorporation or the Declaration inconsistent with this Article XIV, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

ARTICLE XV

ADOPTION OF RULES AND REGULATIONS BY THE BOARD OF DIRECTORS

Section (1). Authorization. Subject to the provisions of this Article XV, the Association, acting through the Board of Directors, may adopt reasonable rules and regulations for the use, operation and maintenance of the Common Areas and any buildings and improvements now or hereafter located thereon or therein. All rules and regulations adopted pursuant hereto shall supplement the rules and regulations set forth in the Declaration, but in the event of any conflict between the two, the rules and regulations set forth in the Declaration shall take precedence over the rules and regulations adopted pursuant hereto.

Section (2). Notice of Meeting. At least fifteen (15) days prior to any regular or special meeting of the Board of Directors at which it is contemplated that a proposed rule or regulation will be voted upon, written notice of such meeting shall be given to each Member. Such notice shall include (a) the date, time, location and subject of the meeting, (b) a copy of the proposed rule or regulation, (c) notice that Members are permitted to submit written comments on the proposed rule or regulation to the secretary of the Association (who shall deliver all such written comments to the Board of Directors at or prior to the meeting of the Board of Directors at which the proposed rule or regulation is to be voted upon), and (d) notice of the proposed effective date of the proposed rule or regulation.

Section (3). Voting. A quorum of directors shall be present at such meeting, which shall be open to all Members. After all Members attending such meeting have had the opportunity to comment on the proposed rule or regulation and any modification thereof which is proposed at such meeting, the Board of Directors may, by the vote of majority of the directors present and voting, adopt the proposed rule or regulation or any such proposed modification thereof. On the request of any director, the yeas and nays shall be taken and entered on the minutes.

Section (4). Modification or repeal. Any rule or regulation adopted by the Board of Directors pursuant to the procedure set forth in this Article XV may be modified or repealed by the Board of Directors pursuant to the same procedure.

Section (5). Effective Date. The Board of Directors shall determine the effective date of the adoption, modification or repeal of any such rule or regulation (which effective date may differ from the proposed effective date set forth in the notice given to the unit owners pursuant to Section 2 above), provided that no such adoption, modification or repeal shall become effective until at least five (5) days after written notice of such adoption, modification or repeal, including a copy of such rule or regulation and disclosure of such effective date, has been mailed or personally delivered to each Member or placed at a location (on the Common Areas) previously designated by the Board of Directors (by written notice to the Members) for the communication of such rules and regulations.

ARTICLE XVI

MORTGAGES

Section (1). Notice to Board of Directors. Each Record Owner who conveys his Lot by way of any Mortgage shall give written notice thereof to the Board of Directors, setting forth the name and address of his Mortgagee and submitting a conformed copy of his Mortgage and the note secured thereby, if any. The Board of Directors shall maintain all such Mortgage information in a book or other record designated "Mortgage Book". The Board of Directors shall also include in the Mortgage Book the name and address of any holder, insurer or guarantor of a Mortgage who furnishes to the Association a written notice stating the name and address of such holder, insurer or guarantor, and the Lot number or address of the Lot subjected to the Mortgage of such holder, insurer or guarantor (the "Mortgaged Lot").

Section (2). Notice and Information to Mortgagees.

(a) The Board of Directors shall furnish to each Mortgage holder, insurer or guarantor of record in its "Mortgage Book" timely written notice of: (i) any condemnation loss or casualty loss which affects a material portion of the Property or which affects the Mortgaged Lot; (ii) any delinquency in the payment of assessments or charges owed by the Record Owner of the Mortgaged Lot, where such delinquency has continued for a period of sixty (60) days; (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; (iv) any proposed action which would require the consent of a specified percentage (such as a majority, 66-2/3%, 80% or 100%) of the Eligible Holders or of all Mortgagees; and (v) the giving of any default or violation notice by the Association to the Record Owner of the Mortgaged Lot.

(b) Upon the specific written request of the Eligible Holder, the Board of Directors shall promptly furnish to said Eligible Holder, any information to which the Record Owner of the Mortgaged Lot may be entitled, including, without limitation, information as to the status of (i) any assessment, (ii) the performance of any obligation imposed under the Association Documents, and (iii) any default or violation of any kind or nature which may exist or be outstanding on the part of the Record Owner of the Mortgaged Lot.

ARTICLE XVII

AMENDMENTS

Section (1). Affirmative Vote of the Members. These By-laws may be amended by the affirmative vote of Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Association (each class voting separately). However, these By-laws may not be amended so as to modify, impair or revoke any right or privilege reserved for the benefit of the Declarant, or so as to impose on the Declarant any obligation which is not also imposed on all Record Owners, without the prior written consent of the Declarant.

Section (2). Affirmative Vote of the Eligible Holders. Any amendment to these By-laws involving any Material Change shall also require the affirmative vote of a majority of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the number of Lots upon which it holds First Mortgages.

Section (3). Veto by FHA or VA. So long as there are Class B Members, each amendment to these By-laws may be vetoed by the FHA or the VA, if such agency has previously approved the Property, or one or more Lots thereon, for mortgage financing purposes.

ARTICLE XVIII

MISCELLANEOUS

In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the directors of Old Harford Pines II Homeowners Association, Inc., have hereunto set our hands this day of _____, 19 ____ .

Catherine T. Heuer

Frank R. Hodgetts

Michael J. Keelty

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Old Harford Pines II Homeowners Association, Inc., a Maryland corporation, and that the foregoing By-laws constitute the original By-laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the _____ day of _____, 19 ____ .

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of _____, 19 ____ .

Secretary of Old Harford Pines II Homeowners Association, Inc.

EXHIBIT V

PROPOSED BUDGET

OLD HARFORD PINES II HOA - (pines)	
	2006
	Annual
	Budget
Additional Assessment Per Home	\$ 70.00
INCOME	\$ 400.00
Additional Assessment	\$ 1,400.00
Association Fees	\$ 8,000.00
TOTAL INCOME	\$ 9,400.00
EXPENSE	
REPAIRS & MAINTENANCE	
Grounds Maintenance	\$ 3,000.00
Snow Removal	\$ 150.00
TOTAL REPAIRS & MAINTENANCE	\$ 3,150.00
ADMINISTRATION	
Insurance	\$ 300.00
Legal/collections	\$ 300.00
Office Expense	\$ 50.00
Past Bills	\$ 1,400.00
Management	\$ 3,000.00
TOTAL ADMINISTRATION	\$ 5,050.00
RESERVES	
Reserve Transfer	\$ 1,200.00
TOTAL RESERVE EXPENSES	\$ 1,200.00
TOTAL EXPENSE	\$ 9,400.00
NET INCOME	\$0.00

**Old Harford Pines II HOA
Proposed Budget 2005**

OLD HARFORD PINES II HOA - (pines)		Current Annual
		\$ 280.00
INCOME		\$ 5,600.00
Association Fees		
TOTAL INCOME		\$ 5,600.00
EXPENSE		
REPAIRS & MAINTENANCE		\$ 3,300.00
Grounds Maintenance		\$ 200.00
Snow Removal		\$ 3,500.00
TOTAL REPAIRS & MAINTENANCE		
ADMINISTRATION		\$ 300.00
Insurance		\$ 300.00
Legal/collections		\$ 50.00
Office Expense		\$ 2,400.00
Management		\$ 3,050.00
TOTAL ADMINISTRATION		
RESERVES		\$ 1,200.00
Reserve Transfer		\$ 1,200.00
TOTAL RESERVE EXPENSES		\$ 7,750.00
TOTAL EXPENSE		\$ (2,150.00)
NET INCOME		
Approx. Current outstanding Unpaid Bills:		
	Legal Fees	\$ 2,413.67
	Grounds	\$ 1,200.00
	TPSI Management Fee	\$ 1,000.00
	Total Outstanding Bills	\$ 4,613.67
Extra One Time fee to pay off past due bills \$ per home (20 Homes)		\$ 230.68

PROPOSED BUDGET 1995-96

Balance as of 6/05/95

\$ 274.90

INCOME

Dues 20 x \$180

\$3600

Dues receivable \$ 360

Less: Doubtful account \$ 360

\$3600

EXPENSES

Lawn Service Common areas (10)

\$1750

Insurance

290

Sidewalk Repairs

500

Tree Replacement (Allowance)

175

Postage/Misc.

100

Legal/Collection

100

Taxes

10

\$ 2925

Net

675

\$949.90

PROPOSED BUDGET¹

First Annual Assessment Period²

Old Harford Pines II Homeowners Association, Inc.

(20 Lots)

INCOME

Annual Assessment \$3,000.00

EXPENSES

Grounds Maintenance:³

Grass Cutting 1,500.00

Fertilizer 225.00

Trees 100.00

Cleaning and Minor Repairs of
Parking Areas and Sidewalks 75.00

Snow Removal³ 60.00

General Liability Insurance³, and Directors
& Officers Liability Insurance 200.00

Repair and Replacement Reserves⁴ 840.00

Total Annual Expenses \$3,000.00

¹ All figures are estimates only.

² This budget assumes that the first annual assessment period of the Homeowners Association will contain 12 full months. Actually, the first annual assessment period will begin on the earlier of (a) a day to be determined by the Board of Directors or (b) the date the Class B membership ceases to exist, and the first annual assessment period will end on December 31 of the same calendar year in which it begins. Thus the first annual assessment period may be substantially shorter than 12 months. In such event, the annual figures for the first annual assessment period may, at the Board's discretion, be adjusted accordingly.

³ These expenses cover only the Common Areas (and the parking areas within the streets). Each Lot Owner is responsible for maintaining and insuring his or her Lot and dwelling.

- 4 The repair and replacement reserves are based on the following estimates:

<u>Common Area</u>	<u>Estimated Replacement Cost</u>	<u>Estimated Useful Life</u>	<u>Annual Reserve Requirement</u>
Parking Areas (curbs, gutters and paving)	\$7,650	15 years	\$510
Sidewalks	\$4,950	15 years	<u>330</u> \$840

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT, made this 1st day of October 2002, by and between Old Harford Pines II Homeowners Association, Inc., hereinafter referred to as the "Association" and Trenton Property Services, Inc., a body corporate of the State of Maryland, hereinafter referred to as the "Manager".

WHEREAS, the Association desires the Manager to operate and manage the affairs of the Association in accordance with its Bylaws, Declaration and Articles of Incorporation, if any, and in accordance with the laws of the State of Maryland; and,

WHEREAS, the Manager has represented to the Board of Directors of the Association that it has the experience and resources necessary to manage the Association's affairs and is willing to undertake, at the direction of the Board of Directors, the management and operation of the Association.

NOW THEREFORE, in consideration of the undertakings of the parties herein set forth, the parties mutually agree as follows:

Section 1. Employment of Manager- The Association hereby employs the Manager to manage the Association for a period of One (1) year. Unless terminated pursuant to Section 6 of this Agreement, this Agreement shall be in effect from October 1, 2002 through and including September 30, 2003. This agreement shall automatically renew at the end of the original term for successive one (1) year terms unless terminated pursuant to Section 7 of this Agreement.

Section 2. Financial Management Duties of the Manager- The Manager shall perform the following financial management duty services in the name of and on behalf of the Association at the compensation rate specified in Section 5, Paragraph A, of the Management Agreement:

- a. The Manager shall maintain current lists of the Association members. Such lists shall include information that the Association may reasonably request, including, but not limited to, the names and addresses of property owners, unit numbers and the status of assessments levied against a unit;
- b. The Manager shall bill for Association assessments annual, or on a basis agreed upon by the Board of Directors, at the expense of the Association;
- c. The Manager shall, as appropriate, issue receipts in the name of the Association for payments collected;
- d. The Manager shall send notices of late payments to those delinquent owners in the Association at the direction of the Board of Directors;
- e. The Manager shall refer delinquent accounts to collection attorneys and collection agents at the direction of the Board of Directors or in accordance with collection policy of Association;
- f. The Manager shall provide, to attorneys designated by the Association, such information as is reasonably necessary to file notices of Intention to Create Liens, Statements of Lien, and Affidavits and complaints necessary to institute collection procedures under the terms of the Bylaws, Declaration and State law;

g. The Manager shall maintain a cash basis bookkeeping system and the Association's accounts in a manner sufficient to use as a basis for the production of reports prepared according to generally accepted accounting principles (GAAP). Such system shall be sufficient to provide a basis for audited financial statements and tax returns. All books and records thus maintained shall at all times be deemed the property of the Association;

h. The Manager shall cooperate with and furnish all information reasonable and necessary for accountants selected by the Association to audit the accounts of the Association;

i. The Manager shall maintain records showing all receipts, expenditures, assets and liabilities relating to the Association and shall promptly submit to the Association a statement of cash receipts, cash disbursements, assets and liabilities containing such detail and in form approved by the Association. Such report shall be submitted monthly by the fifteenth (15th) day of the following month. All books and records thus maintained shall at all times be deemed the property of the Association;

j. The Manager shall attend Meetings if requested by the Board at a rate of one hundred dollars (\$100.00) per hour, excluding travel time;

k. The Manager shall send written notice of the annual meeting of the members in accordance with the terms of the governing documents of the Association at the direction of the Board of Directors, at the expense of the Association;

l. The Manager shall prepare forms for proxies and ballots for elections to be used at meetings of the members at the direction of the Board of Directors, at the expense of the Association;

m. Once the Board approves a budget, the Manager shall send notice of such budget to every unit owner in the Association in a timely manner as provided by Maryland law and the documents governing the Association. This shall be done at the expense of the Association and at the direction of the Board of Directors;

n. The Manager shall issue, upon demand by any person having legitimate purpose, a certificate setting forth whether or not the assessments against a particular unit have been paid;

o. The Manager shall cause to be prepared, all tax returns including State and Federal income taxes and other instruments, filings, and notices required to be filed with any State or Federal agency and relating to the business of the Association. Tax returns and other related annual filings shall be prepared, at the expense of the Association, by a CPA, at the direction of the Board of Directors;

p. Upon written request, the Manager shall supply to selling unit owners all documentation needed for their compliance with the disclosure requirements of the Maryland Homeowners / Condominium Act. The information will be supplied at a cost to be determined by Manager, not to exceed maximum allowed by Maryland Law, with said cost to be paid by the requesting party;

q. The Manager shall maintain a fidelity bond or bonds, to indemnify the Association against loss through negligence, fraud, or theft, on the part of the Manager, or its principals and officers, of its operational and capital funds with which the Manager is entrusted, at the expense of the Manager under the Manager's general fidelity bond policy. If the Association requires a fidelity bond as a named insured, the Association shall purchase its own policy at the expense of the Association. Such policy will bond the employees and principals of the Manager who handle or are responsible for the handling of the Association's monies or assets. The Association shall be an obligee under such bond. Verification of

such bonding shall be provided by the Manager to the Association upon the commencement of this Agreement and annually thereafter;

r. The Manager is not deemed to have the duties of a trustee of the Association, its members, officers and directors. Similarly, the Manager shall not be deemed to be a trustee for any of the tasks that it shall perform for the Association including, but not limited to, those tasks set out in this management agreement;

s. The Manager shall not in any way be considered an insurer or guarantor of security within the property. Neither shall the Manager be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken by the Association;

Section 3. Management Duties of the Manager- The Manager shall perform the following Managerial duties (or any other duty or service not specified in Section 2, of the Management Agreement) in the name of and on behalf of the Association at the compensation rate specified in Section 5, Paragraph B, of the Management Agreement:

a. The Manager upon request of the Board shall attend the Board meetings and special meetings of the members of the Association;

b. The Manager shall maintain the records of the Association's Architectural Control Committee, including records of all approvals and disapproval's except those pertaining to improvements that are constructed prior to Manager's contract period. All books and records thus maintained shall at all times be deemed the property of the Association;

c. On behalf of the Association and at the direction of the Board of Directors, the Manager shall place out for bid any contract in the name of the Association which exceeds one (1) year in length or Three Thousand Dollars (\$3,000.00.), all materials and services provided for in the budget of the Association. If requested by the Association the Manager shall employ a sealed bidding process and shall deliver unopened, all submitted proposals to the Board of Directors. The Manager shall have the right to contract for, on behalf of the Association, for expenditures under \$3,000 and less than one (1) year in length, in order to carry out the day to day operations of the Association. If an emergency situation exists, the Manager shall have the authority to authorize an expenditure in excess of Three Thousand Dollars (\$3,000.00) in value without the express direction of the Board of Directors or its designee to correct such an emergency. The Manager shall supervise all contractors and/or employees hired to provide services to the Association and shall be responsible for discharging contractors and/or employees after such a decision has been rendered by the Board of Directors;

d. The Manager shall administer the Association's property (if required) and liability insurance program at the direction of the Board of Directors. The Manager shall negotiate contracts for insurance determined by the Association to be reasonable and necessary to protect the Association, its members and Board of Directors, at the direction of the Board of Directors. The Manager shall investigate and file all claims with the appropriate insurance companies or agents and, in the event of a loss, shall receive funds on behalf of the Association for deposit into the accounts of the Association, at the direction of the Board of Directors. When necessary, the Manager shall contract for the repair or replacement of the Association's property damaged or destroyed by a risk covered by the Associations insurance at the direction of the Board of Directors;

e. The Manager shall field any other calls on behalf of the Association for those duties not covered in Section 2 of this contract at the rate specified herein;

Section 4. Association Funds-

a. All money collected by the Manager on behalf of the Association shall be deposited in an account titled in the name of the Association in a state or national bank for which the Federal Deposit Insurance Corporation insures deposits, unless otherwise directed by the Board of Directors. All such accounts shall be separate and apart from Manager's funds and the funds of other Associations. The account shall bear the federal tax identification number of the Association and all interest earned thereon shall be the property of the Association. The Manager shall maintain a separate account for the reserve funds of the Association as designated in its operating budget. The Association's operating account shall be held at a bank as chosen by the Manager. The Association's investment or reserve account(s) shall be held at such bank or brokerage as shall be determined by the Board. If the Association chooses an different bank than the one chosen by the Manager with which to place their investment or reserve account(s), the Association will be charged for the Managers time in traveling to the bank, and coordinating the routing of funds at the bank, at a rate of \$100 per hour, including travel time. Manager shall have single signature authority for checks drawn on the Association's operating account. The Managers fidelity bond coverage will not cover funds in the investment or reserve account(s) if the Association has signature authority on these accounts without Managers signature being necessary;

b. The Manager may use the operating account to pay hired contractors, Manager's fees, and other expenses within the limitations set forth in this Agreement and adopted by the Board of Directors. The Manager shall have no obligation to advance funds to the Association for any purpose whatsoever;

c. All of the Manager's employees and principals, who handle or are responsible for the safekeeping of money of the Association, shall be covered by a fidelity bonds protecting the Association.

Section 5. Compensation of Manager-

a. The Association shall pay the Manager a fee of Two Hundred Dollars (\$200.00) per month, to manage the financial matters of the association detailed in Section 2, of the Management Agreement. Management fees shall be paid to Manager on the first of the month;

b. The Association shall pay the Manager a fee of One Hundred Dollars (\$100.00) per hour to manage or consult or perform any duties other than those directly related to the financial management of the association detailed in Section 3, of the Management Agreement. Management fees shall be paid to Manager on the first of the month;

c. Additional compensation shall be due to the Manager for the additional services provided as follows:

- 1) The Manager shall have the right to charge a Twenty Dollar (\$20.00) Lien Certification fee to the members of the Association or anyone else requesting a lien certification for any lot within the jurisdiction of the Association. Said fee shall be payable directly to the Manager;
- 2) The Manager shall provide photocopies of Association documents and other related Association records to the Association or its members at a rate of Ten Cents (\$.10) per copy;
- 3) Postage shall be charged to the Association at cost. If the Association requires the Manager to physically deliver the certified mail to the post office, then there will be an additional \$2.00 charge to the Association;

- 4) Mailing labels for special mailings shall be provided at the rate of Ten Cents (\$.10) per label. Envelopes (larger than #10) for mailings shall be provided at the rate of Fifteen Cents (\$.15) per envelope. Envelopes (#10 or smaller) mailings shall be provided at the rate of Ten Cents (\$.10) per envelope. Monthly Statements (statements only) shall be provided at the rate of Ten Cents (\$.10) per statement;
- 5) The Association shall be responsible for the cost of all collections, including attorneys' fees and court costs, when the responsible unit owner does not pay said costs.
- 6) Should the Manager be requested by the Board to provide full-time supervision for any services or repairs in excess of those duties specified above, and/or if the Manager is required to spend time administering duties outside of the day-to-day operations of the Association, then the Manager shall be compensated at the rate of One Hundred Dollars (\$100.00) an hour;
- 7) During the preparation of the Association's annual budget, or at time of annual renewal of management contract, the Manager and the Association shall negotiate the management fee for the upcoming year. The fee shall increase by an amount no less than the Consumer Price Index for the Baltimore metro region;
- 8) The Association shall be responsible for all costs associated with the production and distribution of the annual assessment notice (coupon books or bills);
- 9) The Manager shall be paid for attending court on behalf of the Association at the rate specified in Section 5. Compensation of Manager- paragraph b, including travel time.

Section 6. Duties of the Association

a. The Association shall name the Manager as an additional insured on the Association's general liability and directors and officer's liability insurance policies, which shall be maintained in full force and effect during the entire term of this management agreement and in such amounts as the Manager and Association may agree;

b. The Association shall provide the Manager with a full and complete set of recorded governing documents for the Association, including, but not limited to, plats, plans, bylaws, declarations, articles of incorporation, financial reports, architectural change records, insurance policies, warranties, and contracts.

Section 7. Termination- The Association or the Manager shall have the right to terminate this agreement with or without cause and without penalty, by providing thirty (30) days written notice via certified mail:

a. The Association shall have the right to terminate this Agreement immediately at any time in the event;

Manager declares or is placed in bankruptcy;
 Manager or Manager's Employees cannot be bonded as provided herein;
 For Cause, which shall include, but is not limited to acts of fraud or deceit, gross negligence, or commission of tortuous conduct.

- b. Upon termination of this Agreement, the Manager shall return to the Association, all books, records, papers, statements, certificates and all other property relating in any way to the Association;
- c. The Association, at its sole discretion, shall have the right to have the Property Manager assigned to the Association replaced at anytime, upon thirty (30) days written notice to the Manager.

Section 8. Miscellaneous

- a. It is understood that the authority and duties conferred upon the Manager are confined to the common elements of the Association and that, except as authorized and directed by the Board of Directors, such authority and duties do not include supervision of management of any units owned by members of the Association. Such maintenance, repair and management shall be the sole responsibility of the owners of such units;
- b. This Agreement is governed by the laws of the State of Maryland;
- c. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and completely supersedes all prior understandings. Neither Manager nor Association nor any other person on whom this agreement shall be binding shall be bound by terms conditions, statements, warranties or representations, oral or written, not herein contained. This Agreement may not be modified except by an instrument in writing signed by the parties hereto;
- d. Indemnification. Association agrees: (i) to indemnify, hold and save Manager and its agents and employees free and harmless from all damage, suits, liability, costs and expenses incurred in connection with the management of the Association or the performance agreement, including without limitation operating expenses of the Association as herein described (ii) to hold and save Manager free and harmless from any damage or injuries to persons or property by reason of any cause whatsoever either in and about the Association or elsewhere when Manager is carrying out the provisions of this Agreement or acting under the express or implied directions of Association, (iii) to reimburse Manager upon demand for any moneys which Manager is required to pay out for any reason whatsoever, under this Agreement or in connection with, or as an expense in defense of any claim, civil or criminal action, proceeding, charge or prosecution made, instituted or maintained against Manager or Association and Manager, jointly or severally, affecting or due to the conditions or use of the Association or acts or omissions of Manager or employees of Association or Manager, or arising out of or based upon law, regulations, requirements, contract or award relating to the hours or employment, working conditions, wages or compensation of employees or former employees, and (iv) to defend promptly and diligently, at Association's sole expense, any claim, action or proceeding brought against Manager or Manager and Association jointly or separately arising out of or connected with any of the foregoing, and to hold harmless and fully indemnify Manager from any judgment, loss or settlement on account thereof. The foregoing provisions of this Article shall survive the termination of this Agreement, but this shall not be construed to mean that Association's liability does not survive as to the other provisions of this Agreement. Nothing contained in this Article shall relieve Manager from responsibility to Association for gross negligence or willful misconduct, unless such gross negligence or willful misconduct is covered by Association's insurance on behalf of Manager. The Association agrees to subsections (i) through (iv) a stated above except for fraud, acts of negligence or gross negligence, deliberate acts of omission, or commission of tortuous conduct. Under no circumstances shall the Association indemnify the Manager or its principals for these acts;

- e. **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if hand delivered (against a signed copy) or mailed, registered or certified mail, first class, postage prepaid as follows:

if to Association: Current President of the Board of Directors

if to Manager: Trenton Property Services, Inc.
126 South Main Street
P.O. Box 767
Bel Air, MD 21014

The date of the postmark shall be the date on which notice shall be deemed to have been given. The addresses for notices or persons to whom notices are to be given may be changed by notice from either party.

- f. **Captions and Number.** The captions in this Agreement are inserted only for the purpose of convenient reference and in no way define, limit or prescribe the scope or intent of the Agreement or any part hereof. Where context requires, the plural shall include the singular and vice versa;
- g. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument;
- h. **Time of the Essence.** Time shall be of the essence of all time periods under this Agreement;
- i. **Severability.** In the event that any court of competent jurisdiction shall hold any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision hereof;
- j. **Attorney's Fees.** In the event that either party to this Agreement is required to file legal action due to a breach hereof, the costs of said action, including, but not limited to reasonable attorney's fees actually incurred, shall be paid to the prevailing party;
- k. **All of the Manager's duties hereunder shall be performed in accordance with all applicable Federal, State and local, laws, ordinances, rules and regulations. At no time, including, employment of the Association's employees and contractors, shall Manager discriminate on the basis of race, color, sex, age or national origin or any matter that may be or become contrary to existing or future law, rule or regulation.**

IN WITNESS WHEREOF, the parties hereto have affixed their hand and seal.

[Signature]
WITNESS

Krista Baker October 31, 2002
The Old Harford Pines II Homeowners Association, Inc.

KRISTA BAKER
Name Printed

HDA TREASURER
Title

[Signature]
WITNESS

[Signature] Nov 7, 2002
Trent R. Harrison, Vice President
Trenton Property Services, Inc.

Old Harford Pines II Homeowners Association
Baltimore, MD 21234

February 6, 2006

Old Harford Pines II, HOA Resident,

Members of our community met December 21, 2005 @ 7:00 p.m. A number of topics were discussed. Members counted the 12 ballots that were submitted for the election of a new Board of Directors. The following home owners were elected as presented on the ballot.

- ❑ Mike Weglein- President
- ❑ Gayle Clark – Vice President
- ❑ Colly Edwards – Secretary
- ❑ Joan Wilkerson – Treasurer

Following the election of the new board, homeowners discussed the current financial situation of the HOA.

Topic # 1: 4th Quarter Dues for 2005. Homeowners Association dues were not collected for the last quarter of 2005. Since the dues for 2005 were set at \$280. A motion to collect \$70.00 or ¼ of the annual 2005 dues was made. Upon further discussion of the homeowners in attendance, the board voted unanimously to levy a one time special assessment for the dues.

Topic # 2 HOA dues for 2006 were proposed at \$400.00 by Mike Weglein. The reason for the increase was three fold:

- ❑ The current HOA fees of \$280 did not provide the HOA with any additional funds to begin replacing or replanting trees on the common ground.
- ❑ The parking pads in Valles and Demarest belong to the Association. Those will eventually need to be replaced or repaired. The HOA is responsible for repair and replacement of those pads.
- ❑ The HOA needs to have additional funds to seek legal recourse against homeowners who choose not to pay their HOA fees. Legal recourse is expensive for both the HOA and eventually the homeowner. In the end, the HOA will recover all fees plus interest.

Following discussion, the board voted unanimously to adopt a budget of \$8000.00 for 2006 or \$400.00 per household.

Topic # 3 Homeowners discussed the services Trenton Property Management would provide and the annual cost of those services if retained. The board voted unanimously to keep Trenton Property Management for one year under the following conditions:

- ❑ The board would be able to negotiate pricing, frequency of cutting and the vendor for lawn services.
- ❑ Trenton would bill homeowners \$100.00 quarterly. (Feb. 15, 2006, May 15, 2006, August 15, 2006, and Oct. 15, 2006).

OR

- ❑ Homeowners would have the option of paying \$200.00 semi-annually. (Feb. 15, 2006, August 15, 2006)

OR

- ❑ Homeowners would have the option of paying \$400.00 annually in one lump sum. (Feb. 15, 2006)
- ❑ Trenton would provide homeowners with coupon books.

Following discussion, the board voted unanimously to keep Trenton Property Management for 2006.

Topic # 4 Lawn Fees

In November, members of the association moved to pay Joe Kapinos, Lawn Service contractor separately for services rendered in 2005. As many of you know, the HOA ran out of money in 2005 due to a number of reasons. Because of this, our lawn contractor was not paid. Please make your check out to Joe Kapinos for \$75.15 and send to Joan Wilkerson at 2 Valles Court if you have not already done so.

We would like to thank all of the home owners in Valles and Demarest courts for their participation the last three months. We are beginning to see the light at the end of the tunnel. The board looks forward to serving the needs of our community in 2006.

The next H.O.A. meeting is scheduled for **Monday, February 6, 2006 at 3 Demarest Court**. The meeting will begin promptly at 7 pm. We plan to distribute the HOA bylaws, declaration and articles of incorporation. A discussion related to architectural changes to homes will be discussed.

Sincerely,

Mike Weglein
Old Harford Pines II President

Dec 21, 2005

Old Harford Pines II HOA
Parkville, MD 21234-1700

To: Home Owners of Demarest and Valles Court
From: Old Harford Pine II HOA
Re: Notice of Election and Adoption of 2006 Operating Budget
Date: Wednesday, December 21, 2005

An election of a new board and adoption of the 2006 budget will occur on Wednesday, December 21, 2005. The open meeting will occur at 3 Demarest Court beginning at 7 PM.

These individuals have agreed to run for office as outlined in Old Harford Pines II Declaration and By-Laws.

Michael Weglein; mweglein@bcps.org 6 Demarest Court; President
Gayle Clark; marygayle@toad.net; 3 Demarest Court; Vice President
Colly Edwards; Collye@comcast.net; 8 Demarest Court; Secretary
Joan Wilkerson, jwilkerson@theodysseyschool.org; 2 Valles Court; Treasurer

If elected by the homeowners of the association, these individuals would then constitute the Old Harford Pines II Board of Directors.

Once an election occurs the new Board of Directors will take control of the HOA and a discussion of all homeowners will occur regarding:

- Trent Management
- October, November, and December 2005 HOA fees
- 2006 Budget

The current annual assessment is \$280.00 per year. The Board of Directors, following open discussion is responsible for adopting the budget by a simple vote of the newly elected officers. A vote is required of all homeowners if the board wishes to increase the annual assessment by more than 110%. 11 of the 20 owners would have to agree. Anything under the 110% maximum may be adopted by the board with out a vote of the homeowners.

Homeowners are eligible to vote in person by secret ballot at the December 21 meeting or by proxy by delivering their vote to Colly Edwards @ 8 Demarest Court prior to 7 PM on December 21, 2005. Each home in the association is entitled to one vote.

Thanks

Mike Weglein
December 6, 2005

- Election Ballot attachment enclosed

Old Harford Pines II Homeowners Association
8 Demarest Court
Baltimore, MD 21234
410-661-0508

Association Meeting Notes – October 27, 2005

CALL TO ORDER The meeting was called to order at 7:00 p.m. by the chairman.

INTRODUCTIONS Neighbors were asked to introduce themselves to each other.

FINANCIAL REPORT It was discussed that we need to pay Trent or a lien could be placed on each home. Once there's a Board we may no longer discuss these matters openly. They must be discussed in a closed meeting.

LAWN SERVICES Joe was in attendance and reported that he has been cutting the lawn even though he hasn't been getting paid. According to his records, we owe him \$1500.00. He was charging us \$220 a cut, but if we continue to use him he'll only charge \$150 a cut. We asked if he could lower the blade. We need to contact to Joe to inform him of our decision to continue his services.

BOARD OF DIRECTORS It was discussed that we need a Board of Directors in order to go on and make any decisions.

MISCELLANEOUS It was agreed that we need to meet with Trent and ask him numerous questions about the homeowner's association. A list of questions was generated. Mike volunteered to contact Trent to set up a meeting.

ADJOURNMENT The meeting was adjourned at 8:30 p.m.

Respectfully submitted:

Old Harford Pines II Homeowners Association
8 Demarest Court
Baltimore, MD 21234
410-661-0508

October 24, 2005

Dear Old Harford Pines II, HOA Resident,

Members of our community met Friday, October 21, 2005 @ 7:30 p.m. A number of topics were discussed. The most crucial being the decision to keep the association active and to avoid dissolving. Members volunteered to hold positions on the Board of Directors, but a majority vote must occur to officially elect the new Board.

Our financial situation was discussed and will continue to be an agenda topic at future meetings. We currently owe Joe Kapinos (lawn care) \$1200.00 for services his company already performed. Each household is requested to pay the amount of \$63.15 in order to render this outstanding bill. Since we do not have a an Association bank account, checks should be made payable to Joseph Kapinos. Please send this amount to Joan Wilkerson, our tentative treasurer, at 2 Valles Court by **November 1, 2005**.

We are holding a planning meeting on Thursday, October 27, 2005 @ 7:00 p.m. at #3 Demarest Court in preparation for our meeting with Trent R. Harrison of Trenton Property Services, INC. We are voting on the new Board of Directors. We are going to discuss many topics related to the future of our HOA. It is important that you attend. I hope to see you there.

There will be a meeting with Trent R. Harrison and Joseph Kapinos on November 8, 2005 @ 7:00 p.m. at #3 Demarest Court. At this meeting we will pay off Joe and release Trent from his duties. Everyone is welcome to attend this meeting.

Sincerely,

Colly Edwards
8 Demarest Court
Secretary (tentatively)

Old Harford Pines II Homeowners Association
8 Demarest Court
Baltimore, MD 21234
410-661-0508

Association Meeting Notes – October 21, 2005

CALL TO ORDER The meeting was called to order at 7:30 p.m. by the chairman.

INTRODUCTIONS Neighbors were asked to introduce themselves to each other.

FINANCIAL REPORT The association's financial status was reviewed. As of October 6, 2005 we owe Trenton Property Services \$4,613.67 and Joseph Kapinos \$1,200. The monies owed to Trent will be discussed at the next meeting. It was reported that our bank account with Trent was closed so it will no longer accrue fees. It was explained how we gained all the fees and outstanding bills. There are remaining questions that the members want to ask Trent.

LAWN SERVICES It was agreed to settle our outstanding bill with Joe. It was decided that communications would be sent to all homeowners to pay the amount of \$63.15. Members will bring lawn service estimates to the next meeting.

BOARD OF DIRECTORS It was agreed that we need to reestablish a Board of Directors, but an official vote must take place. An official vote for each position must occur as well.

MISCELLANEOUS It was agreed to make amendments to the association contract to ensure that it is current. Members would like to request a copy of our contract with Trent. The original meeting with Trent will be postponed to a later date.

ADJOURNMENT The meeting was adjourned at 9:00 p.m.

Respectfully submitted:

OLD HARFORD PINES II HOMEOWNER'S ASSOCIATION

STATEMENT

Annual Fees for 1992 \$ 150.00

* The fee is due by July 15, 1992. If this is a problem, half may be paid by July 15th and the other half due by Septmeber 15th.

Please send to:

Pat Schmidt, Treasurer
9 Valles Court
Baltimore, Maryland 21234

OLD HARFORD PINES II HOMEOWNER'S ASSOCIATION

MINUTES OF MEETING 6/17/92

Treasurer's Report revealed a balance of \$ 2,684.77. The officers requested permission to reduce the annual fee for 1992 to \$ 150.00, adjusting the fee accordingly annually. All present agreed.

Mike Conniff also requested permission for the officers to purchase trees to replace the dead ones on common property. A limit of \$ 500.00 was suggested and voted upon. It was noted that Vivian's daughter has repaired some of the white spruce. Mary Ann suggested checking with Weber's since their trees' survival rate was excellent. Mary Ann will also make sure Weber's takes care of the crown vetch that they are to plant on the hills.

Those present voted not to allow steps off the decks. Someone reminded the meeting that the end units may build an overhang over the front steps as long as a drawing is submitted to the Association.

The members present voted to have flagstone pads placed around the mailboxes on both Valles Court and Demerest Court. Mike and Herb will install these.

A FEW REMINDERS

Please be considerate of your neighbors. Complaints were voiced regarding barking dogs and loose trash around the areas where our trash cans are placed. Please make sure trash placed on the courts for collection is in a trash can with a lid on it. This will help prevent the birds from getting into the trash. Also, the hill behind the odd numbers of Valles Court and the even numbers of Demerest Court is the responsibility of each of these residents. So far, everyone seems to be pitching in and doing their part. Thanks!

VERY SPECIAL THANKS TO THE FOLLOWING :

MR. MICHAEL G. CUNNIFF
MR. HERBERT J. MC MANAGLE
MR. KEAT HUAL SAW
JONES' CHRISTMAS TREE PLANTATION

THE LABOR OF THESE INDIVIDUALS AND ESPECIALLY JONES' TREE PLANTATION HAS BEEN INSTRUMENTAL IN LANDSCAPING OUR NEIGHBORHOOD WITH FORTY BEAUTIFUL WHITE PINE TREES. THEIR ESTIMATES, PLANNING, LABOR, AND DEDICATION ARE EXEMPLARY AND THE FRUITS OF THEIR LABOR HAVE ENHANCED OUR COMMUNITY FOR THE PRESENT AND FUTURE.

WELL DONE !!!

NOTICE TO RESIDENTS : HOMEOWNERS OF 10 VALLES COURT REQUEST RESIDENTS AND CONTRACTORS NOT TO USE THE WALKWAY ON THE SIDE AND BACK OF THE HOUSE. THE WALKWAY IS PRIVATE AND FOR THE EXPRESSED USE OF HANDICAPPED ACCESS. RESIDENTS MUST INFORM ANYONE THEY CONTRACT FOR SERVICES THAT TRESSPASSING WILL NOT BE TOLERATED AND ANY DAMAGE INCURRED WILL BE THE RESPONSIBILITY OF THE VIOLATOR.

THOMAS E. WALLACE



(Bris low
Helfield)

Mire w 6 Darnest
Gayle Clark 3
Wiley 8 dewards

8
9 emant

OLD HARFORD PINES II HOMEOWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS
JUNE 7, 1990
PAGE 1 OF 1

AMENDMENTS TO THE HOMEOWNERS ACT GOVERNING THE OLD HARFORD
PINES II HOMEOWNERS ASSOCIATION, INC.

I) AMENDMENT TO PART 4, SECTION II OF DISCLOSURE STATEMENT:

THE NAMES OF THE PRINCIPAL OFFICERS OF THE OLD HARFORD PINES
II HOMEOWNERS ASSOCIATION, INC. FOR THE PERIOD BEGINNING
JUNE 1, 1990 AND ENDING MAY 30, 1991, AS FOLLOWS:

THOMAS E. WALLACE	(PRESIDENT)
MICHAEL G. CUNNIFF	(VICE PRESIDENT)
PATRICIA A. SCHMIDT	(TREASURER)

THE ADDRESS OF EACH SUCH OFFICER IS:

THE OLD HARFORD PINES II HOMEOWNERS ASSOCIATION, INC.
10 DEMAREST COURT
BALTIMORE, MARYLAND 21234-1700

II) ADD SUB PARAGRAPH (B) (C) & (D) TO ARTICLE VII,
ARCHITECTURAL CONTROLS:

- (B) SOLID COLOR CANVAS AWNINGS ARE PERMITTED FOR
COVER OF THE DECK AREA OF EACH DWELLING.
- (C) HOMEOWNERS ARE ENTITLED TO LANDSCAPE COMMON GROUNDS
ADJACENT TO THEIR PROPERTY PROVIDING THE
LANDSCAPING IS AESTHETIC AND ENHANCES THE COMMUNITY
IMAGE. LANDSCAPING MUST BE MAINTAINED BY THE
HOMEOWNER AND NOT BECOME OFFENSIVE TO THE MAJORITY
OF THE HOMEOWNERS IN THE COMMUNITY.
- (D) EXTERIOR PAINTING OF THE HOUSE IS ALLOWED WITHOUT
APPROVAL OF THE BOARD OF DIRECTORS OR AN
ARCHITECTURAL CONTROL COMMITTEE PROVIDING THE
PAINT MATCHES AS NEAR AS POSSIBLE THE BUILDERS
ORIGINAL PAINT SCHEME.



OLD HARFORD PINES II HOMEOWNERS ASSOCIATION, INC.
10 DEMAREST COURT
BALTIMORE, MARYLAND 21234-1700
JUNE 8, 1990

HOMEOWNERS ASSOCIATION NEWSLETTER

ENCLOSED IS THE ASSESSMENT FOR THE BI-YEARLY HOMEOWNERS FEE (ALL HOMEOWNERS WHO PAID FOR THE YEAR PLEASE DISREGARD), ADMENDMENTS ADOPTED AT THE FEBRUARY 2 & 23 MEETINGS, AND A BALLOT FOR A SPECIAL VOTE CONCERNING DISBURSEMENT OF EXCESS INSURANCE FUNDS.

GRASS CUTTING: AT THE FEBRUARY 23, 1990 ASSOCIATION MEETING, A VOTE WAS PASSED TO SUSPEND CUTTING OF THE COMMON GROUNDS FOR HALF OF THE GROWING SEASON. MONEY ALLOCATED FOR THIS OPERATION WAS TRANSFERRED TO ENABLE LANDSCAPING OF THE SUMMIT AVENUE AND DONCASTER VILLAGE BOUNDRIES. THE FIRST CUTTING OF THE COMMON GROUNDS WAS ACCOMPLISHED ON JUNE 5, 1990 WITH ADDITIONAL CUTTINGS TENTATIVELY SCHEDULED FOR JUNE 26 AND JULY 17. AT THIS TIME THE ALLOTTED BUDGET FOR GRASS CUTTING WILL BE EXHAUSTED. FURTHER CUTTING OF THE COMMON GROUNDS FOR THIS SEASON IS DEPENDENT UPON HOMEOWNERS SELECTING THE GRASS CUTTING OPTION LISTED ON THE ENCLOSED BALLOT. SHOULD THIS OPTION PASS BY A MAJORITY VOTE, GRASS CUTTING WILL CONTINUE TENTATIVELY SCHEDULED FOR AUGUST 7 AND 28.

SPECIAL THANKS : THE FOLLOWING ASSOCIATION MEMBERS ARE COMMENDED FOR SERVICE.

- MR. MICHAEL G. CUNNIFF - VOLUNTEERING FOR VICE PRESIDENT
- MR. GREGORY DONLIN - ESTIMATING & PLANNING OF ALTERNATIVE LANDSCAPING
- MS. PATRICIA A. SCHMIDT - VOLUNTEERING FOR TREASURER, INVESTIGATION OF SHEDS, AND ESTIMATING & PLANNING OF ALTERNATIVE LANDSCAPING
- MS. GALE SLAWINSKI - PAST VICE PRESIDENT



G DEMAREST

OLD HARFORD PINES II HOMEOWNERS ASSOCIATION, INC.
9 VALLES COURT
BALTIMORE, MARYLAND 21234
JUNE 8, 1990

DEAR HOMEOWNER,

THIS NOTICE IS TO INFORM YOU THAT THE BI-YEARLY
COMMUNITY ASSOCIATION FEE IS DUE NO LATER THAN JULY 7, 1990.

PLEASE REMIT A CHECK OR MONEY ORDER FOR THE AMOUNT OF
\$120.00, PAYABLE TO THE "OLD HARFORD PINES II HOA, INC.".
INCLUDE YOUR NAME AND ADDRESS ON THE CHECK AND MAIL THE
PAYMENT TO THE FOLLOWING ADDRESS. (PLEASE DO NOT HAND
CARRY.)

TREASURER
OLD HARFORD PINES II HOMEOWNERS ASSOCIATION, INC.
9 VALLES COURT
BALTIMORE, MARYLAND 21234

CANCELLED CHECKS WILL BE CONSIDERED A RECEIPT.
HOMEOWNERS DESIRING FURTHER PROOF OF PAYMENT MUST PROVIDE
A STAMPED SELF ADDRESSED ENVELOPE.

THANK YOU,



NZ **Nagle & Zaller, P.C.**

January 3, 2006

HAPPY NEW YEAR!!!

We at Nagle & Zaller hope that your holidays were filled with family, friends and good cheer—and that 2006 is a wonderful year in which each of your associations flourish and grow. We look forward to working with board members and managers to resolve the issues that affect you and to help you make your communities a better place for all to live.

We will continue to offer our three basic retainer packages to community association clients this year, with no change in rates. A description of each package for 2006 is attached. These retainers are designed for associations that have a particular need for those services offered in a specific package. Although most of our clients still prefer to be billed on a time and material basis for work actually done, we are happy to discuss these retainers or a customized retainer for your association. If you are interested, please call Michael Nagle or Craig Zaller.

It is always difficult to balance the economic needs of this firm and the interests of our clients. We are VERY sensitive to the fact that attorneys' fees, in general, are costly and that each of our association clients is on a budget. In order to provide you with the quality of service upon which we pride ourselves and upon which you rely in order to keep your communities in good legal and financial health, it is necessary for us to make minimal cost increases for those services. Our new hourly rates and flat fee charges are detailed on the attached sheets. Our flat rates for form contracts and lease addendums remain the same.

Many of you benefit greatly by the fact that we bill our fees relating to the collection of delinquent accounts directly to the delinquent owner until such time as we are required to file suit or foreclosure, or the owner files bankruptcy. We are continuing that practice. We are also working to upgrade our collections software and provide board members and managers better and more up to date collection case information online. It may soon be possible for any of you to check the status of a delinquent account at any time, day or night. We are also hoping to be able to bill status report charges directly to the delinquent account so that you recoup those costs just like other attorney's fees and costs. We will keep you advised.

We value and respect all of our clients. Attached is a copy of the Nagle & Zaller Client Bill of Rights. These are YOUR rights and we want each client to read and understand them. The Client Bill of Rights is evidence of our commitment to provide you with the best, most professional and most courteous service possible.

If there is anything we can do to serve you better in 2006, please let us know. We measure our success based upon yours. Let's all have a very successful 2006!!!



P. MICHAEL NAGLE

Mr. Nagle is a principal of Nagle & Zaller, P.C., a Columbia, Maryland law firm representing community association clients in Maryland and the District of Columbia. He obtained his Juris Doctor degree in 1979 from the University of Maryland School of Law, where he served as an editor of the Maryland Law Review. His Bachelor of Arts degree in Political Science, *magna cum laude*, is from Mount Saint Mary's College, where he was elected to the Monsignor Tierney Honor Society. Mr. Nagle is active in CAI on both the local and national level, and is a charter member of CAI's College of Community Association Lawyers. He is the author of CAI's GAP Report #21, "Guide to Annual Meetings, Special Meetings, and Elections," and co-author of GAP Report #18, "The Role of the Association Secretary." He has also written numerous articles for "Common Ground" and local chapter newsletters. He served two terms as President of the Central Maryland Chapter and was Vice Chairman of the national CAI Membership Services Council for two years. He is a past Chairman of the CAI President's Club Advisory Board and a member of the national CAI Attorney's Committee, the Nominating Committee and the Governance Task Force. He now serves as Chair-Elect of the CAI Business Partner's Council and is a member of the National Board of Trustees for CAI.

Mr. Nagle is also a frequent speaker at national CAI conferences and local events and was named the Chesapeake Region Chapter 1993 "Speaker of the Year," and Educator of the Year in 1999. He has also received "Volunteer of the Year" and "Hall of Fame" awards from the Washington Metropolitan Chapter. Mr. Nagle has been selected to serve as a member of the faculty of the Community Association Law Reporter Seminar in 1990, 1999, 2001 and 2006. He is admitted to practice law in Maryland, the District of Columbia and Georgia, and is a member of the Bar of the Supreme Court of the United States.

Mr. Nagle is also active in the community. He is a Trustee of The Columbia Foundation and a member of its development committee. He is a Director of the Howard Community College Educational Foundation, a Director of The Columbia Festival of the Arts and co-chair of the programming/marketing committee, and a Director of the Howard County Domestic Violence Center and co-chair of its Gala committee. He is the immediate past Chairperson of The Columbia Association Sister Cities Advisory Committee, the immediate past Chairperson of the Howard Community College Grand Prix Advisory Board and is a past two-term President of the Columbia Business Exchange.

Prior to entering private practice, Mr. Nagle served ten years with U.S. Air Force Intelligence, earning two Air Force Commendation Medals and being designated fifth Air Force Airman of the Year. He served three overseas tours, two in Vietnam and one in Japan.

Mr. Nagle's billing rate is \$325.00 per hour, but his discounted hourly rate for community association clients is \$250.00 per hour.

P. Michael Nagle: MD/DC/GA ■ Craig B. Zaller: MD/DC ■ Shonita N. Mason: MD ■ Christina M. Picard: MD/DC
10320 Little Patuxent Parkway ■ Suite 1200 ■ Columbia, MD 21044-3313
Columbia/Baltimore: 410-740-8100 ■ Northern Maryland: 410-995-0318 ■ DC Metro: 301-621-6500
Fax: 410-740-3183 ■ lawyers@naglezaller.com ■ www.naglezaller.com



CRAIG B. ZALLER

Mr. Zaller is a Maryland native who received his B.S. in Finance from the University of Maryland, College Park, in 1989, his J.D. from the University of the Pacific, McGeorge School of Law, with distinction, in 1993, and his M.B.A. from the University of San Diego in 1994, where he concentrated in Management. Mr. Zaller's practice primarily focuses on litigation with an emphasis in the areas of community association law, corporate law, contract law, creditor's rights/collections, commercial law, and real estate. Mr. Zaller practices law in Maryland and the District of Columbia and has been associated with Nagle & Zaller, P.C. since 1995. He became a principal in the firm on September 1, 1998. Mr. Zaller is an active member of Community Associations Institute (CAI), having served on the Legislative Action Committee for the Washington Metro Chapter and as past President of the Chesapeake Region Chapter. He has also served on the Legislative Action Committee for the Howard County Chamber of Commerce. Mr. Zaller has written several articles for *Common Ground* and local CAI chapter newsletters and has been a speaker at national CAI conferences and local events on various issues relating to community associations. Mr. Zaller was victorious in the first satellite dish case in which the Federal Communications Commission ruled in favor a condominium. Mr. Zaller's billing rate is \$275 an hour, but the discount rate for community associations is \$225 per hour.



SHONITA N. MASON

Shonita N. Mason is a 6th year Associate with the law firm Nagle & Zaller, P.C., where she practices community association law, litigation, contracts law and creditors' rights/collections law. She is a class of 2000 graduate of the University of Baltimore School of Law, where she concentrated in Business Law and was a staff editor on the Journal of Environmental Law. Ms. Mason obtained her undergraduate degree in Psychology from Towson State University in May of 1996. She is a Member of the Board of Directors of the Chesapeake Region Chapter of the Community Associations Institute (CAI) where she served as Secretary in 2004 and 2005 and currently serves as Vice President. She is also an editor of The Maryland Institute for Continuing Professional Education of Lawyers, Inc. (MICPEL) Practice Forms—2003 Edition. Ms. Mason's billing rate is \$230 per hour, but the discount rate for community associations is \$190 per hour. She is a member of the United States District Court for the District of Maryland Bar and the Maryland State Bar.



CHRISTINA M. PICARD

Christina M. Picard is a 2nd year Associate with Nagle & Zaller, P.C., and practices community association law, contract law and collections law. She is also a litigator. She is a class of 2001 graduate of the University of Baltimore School of Law, where she earned her Juris Doctor Degree while working full time as a law clerk at the State's Attorney's Office for Baltimore County. Ms. Picard obtained her undergraduate degree in Justice Studies from Frostburg State University in May of 1996. During her time at Frostburg she had the opportunity to participate in an exchange program in Germany where she studied Political Science. Ms. Picard practiced as a prosecuting attorney for the State's Attorney's Office upon admission to the Maryland Bar. She also practiced creditor's rights law at a firm prior to joining Nagle and Zaller. Ms. Picard's billing rate is \$210.00 per hour, but the discount rate for community associations is \$185 per hour. She is admitted to the Bar of the United States District Court for the District of Maryland, as well as the District of Columbia Bar and the Maryland State Bar.

NAGLE & ZALLER, P.C. FIRM PROFILE

Founded in 1990, Nagle & Zaller, P.C. is widely recognized as a leader in the field of community association law, both in the Baltimore-Washington metropolitan area and nationwide. The Firm's attorneys, paralegals and staff are all highly skilled professionals who understand the legal needs of condominiums, homeowners associations and cooperative associations and who are committed to providing timely, responsive and cost-effective legal services to those clients.

Nagle & Zaller, P.C. typically acts as general counsel for its community association clients, and delivers a broad array of legal services. These include:

** Assessment Collection*

*Contract Drafting & Review * Annual Meetings/Elections*

*Opinion Letters * ADA Issues * Warranty Issues * Insurance*

*Document Review & Amendment * Rules Development & Enforcement*

*Maintenance Responsibility * Architectural Control * Litigation*

*Fair Housing Issues * Incorporation*

Nagle & Zaller, P.C. has adopted the philosophy that our clients are best served by an aggressive, no nonsense approach which is tempered by common sense and the ability to devise reasonable alternatives that work. We believe in returning telephone calls promptly and in delivering work when promised. We also believe that our clients deserve the truth in all matters, large or small. We have proudly developed the enclosed "Client Bill of Rights" that sets forth these and other principles that govern our relationship with our clients.

NAGLE & ZALLER, P.C.

CLIENT BILL OF RIGHTS

- 1) *The right to be treated with respect and courtesy.*
- 2) *The right to have all matters and issues fully explained.*
- 3) *The right to be promptly advised of developments in their case or matter.*
- 4) *The right to receive work when promised. If work must be delayed, the client has a right to a telephone call explaining the problem before the work is due.*
- 5) *The right to receive copies of all written materials relating to their case or matter.*
- 6) *The right to have all telephone calls returned within twenty-four hours (we try to return calls the same day when possible).*
- 7) *The right to have all work written in understandable english, rather than in legalese.*
- 8) *The right to have work performed by the best qualified person at the lowest billing rate - unless otherwise directed by the client.*
- 9) *The right to have bills accurately reflect services rendered and time spent on each matter.*
- 10) *The right to be billed for costs incurred at the actual price without mark-ups or surcharges.*

***** RETAINER PACKAGES *****

Because a number of our community association clients have asked about possible retainer arrangements, we at Nagle & Zaller, P.C. are offering three special retainer packages to all clients. We have structured each retainer package to include services of real value to community associations in an effort to provide you with more cost effective legal representation. Issues not addressed in a retainer package are billed at our normal hourly rates or at our flat rate collection charges. Each retainer will be effective for twelve months from the day the agreement is signed.

SILVER RETAINER: \$100.00 per month

- UP TO 6 HOURS TELEPHONE CONSULTATION (1/2 HOUR PER MONTH) – A \$900 - \$1,200 VALUE
- PERIODIC NOTICE OF LEGISLATION AFFECTING COMMUNITY ASSOCIATIONS
- REVIEW OF ANNUAL MEETING NOTICE AND PROXY
- MONTHLY REVIEW OF BOARD MINUTES
- ANNUAL REVIEW OF WRITTEN POLICIES AND PROCEDURES RESOLUTIONS
- ELIGIBLE FOR RETAINER CLIENT SPECIALS

GOLD RETAINER: \$200.00 per month

- UP TO 12 HOURS OF TELEPHONE CONSULTATION (1 HOUR PER MONTH) – A \$1,800 - \$2,500 VALUE
- ATTORNEY ATTENDANCE AT 1 BOARD MEETING (UP TO 2 HOURS) – A \$300 - \$400 VALUE
- ANNUAL REVIEW OF GOVERNING DOCUMENTS
- PERIODIC NOTICE OF LEGISLATION AFFECTING COMMUNITY ASSOCIATIONS
- REVIEW OF ANNUAL MEETING NOTICE AND PROXY
- MONTHLY REVIEW OF BOARD MINUTES

- ANNUAL REVIEW OF WRITTEN POLICIES AND PROCEDURES RESOLUTIONS
- ELIGIBLE FOR RETAINER CLIENT SPECIALS

PLATINUM RETAINER: \$350.00 per month

- UNLIMITED TELEPHONE CONSULTATION WITH MANAGEMENT AND BOARD OF DIRECTORS
- ANNUAL REVIEW OF GOVERNING DOCUMENTS AND ATTORNEY ATTENDANCE AT 1 BOARD MEETING (UP TO 2 HOURS) – A \$700 - \$1,000 VALUE
- PERIODIC NOTICE OF LEGISLATION AFFECTING COMMUNITY ASSOCIATIONS
- REVIEW OF ANNUAL MEETING NOTICE AND PROXY
- MONTHLY REVIEW OF BOARD MINUTES
- UNLIMITED REVIEW OF WRITTEN POLICIES AND PROCEDURES RESOLUTIONS
- ELIGIBLE FOR RETAINER CLIENT SPECIALS

For more information or to start your retainer - call Michael Nagle or Craig Zaller at (301) 621-6500 or (410)-740-8100

COLLECTION CHARGES

The following fees are charged to and collected from each delinquent owner until such time as suit or foreclosure proceedings are initiated or the owner files a petition for bankruptcy protection:

Demand Letter	\$ 75.00
Balance Due Letter	\$ 35.00
Lien Warning Letter	\$ 175.00
Lien Warning Letter-Posting (if required)	\$ 75.00
Suit/Lien Warning Letter	\$ 175.00
Suit/Lien Warning Letter-Posting (if required)	\$ 75.00
Lien Statement Preparation	\$ 75.00
Lien Notification Letter	\$ 35.00
Suit/Foreclosure Warning Letter	\$ 175.00
Suit Warning Letter	\$ 175.00
Draft Letter & Monitor Informal Payment Plan	\$ 50.00
Confessed Judgment Note (Less than two years)	\$ 150.00
Confessed Judgment Note (Greater than two years)	\$ 250.00
Confessed Judgment Demand Letter	\$ 75.00
Non-Sufficient Funds Letter	\$ 35.00
Payoff Letter	\$ 100.00

All other time (telephone calls or meetings with delinquent owners, payment plan administration, follow-up letters, etc.) will be charged to the owner at the hourly rate of the person performing or reviewing the work.

Filing fees, out-of-pocket expenses and charges made by third parties (private process server, title search, etc.) will be charged to the delinquent owner's account and billed to the client. These costs are returned to the client upon collection from the owner.

Should an owner file for bankruptcy protection, all time spent preparing and filing a Proof of Claim and Motion for Relief of Stay (if required) will be billed directly to the client, as is time spent appearing in court and administering the claim. Our flat charges for bankruptcy related services are as follows:

Proof of Claim	\$ 350.00
Post-Petition Demand Letter	\$ 75.00
Motion to Lift Stay	\$ 350.00
Draft and File Order	\$ 75.00
Consent Order to Lift Stay	\$ 150.00
Consent Order Demand Letter	\$ 75.00
Affidavit of Non-Payment	\$ 75.00
Download & Review Bankruptcy Package	\$ 100.00

In the event we are required to initiate foreclosure, the charges will be billed to the client. The foreclosure charges, including trustees fees, are \$1,600.00, not including the cost to review the title report and obtain payoff from secured parties, which will be billed at the hourly rate of the person performing the work. (See attached letter and fee schedule.) All incurred costs are billed at the actual rate, without markup.

In the event we are required to file suit, those charges will be charged to the delinquent owner's account and billed to the client. With the exception of the following flat charges, time spent in trial preparation and trial is billed at our normal hourly rates:

Draft and File Complaint	\$ 275.00
Draft and File Amended Complaint	\$ 150.00
Reissue Complaint	\$ 35.00
Motion for Alternate Service	\$ 150.00
Complaint for Confessed Judgment	\$ 175.00
Confessed Judgment Affidavit (if required)	\$ 50.00
Motion to Amend Judgment	\$ Hourly
Interrogatories in Aid of Execution	\$ 100.00
Request for Oral Exam	\$ 50.00
Request for Show Cause	\$ 50.00
Request for Body Attachment for Contempt	\$ 50.00
Judgment Lien	\$ 50.00
Request for Garnishment (wages or bank account)	\$ 75.00
Request for Judgment Garnishment (bank account)	\$ 50.00
Post Judgment Demand Letter	\$ 75.00
Motion to Compel Answers to Interrogatories	\$ 50.00
Request for Foreign Judgment	\$ 150.00
Judgment Creditor's Report	\$ 75.00
Stipulation Agreement (Less than two years)	\$ 150.00
Stipulation Agreement (Greater than two years)	\$ 250.00
Stipulation Demand Letter	\$ 75.00
Motion for Default Judgment	\$ 175.00
Order and Review Credit Report	\$ 50.00
Real Property Search	\$ 15.00
Pretrial/Hearing Warning Letter	\$ 75.00

Our experience has been that many collection cases do not go so far as suit, foreclosure or bankruptcy. In all other cases we collect our fees directly from the delinquent owner and return to the Association all of its assessments, late charges and interest which are lawfully charged to the owner pursuant to the governing documents of the Association.

STATUS REPORT & MISCELLANEOUS CHARGES

We provide detailed monthly reports regarding the status of each collection case. The monthly charge for these status reports is as follows:

STATUS REPORTS

Number of Delinquent Owners	Charge
0-5	\$ 25.00
6-10	\$ 35.00
11-15	\$ 45.00
16-20	\$ 55.00
21-25	\$ 65.00
26-30	\$ 75.00
31-35	\$ 90.00
36-40	\$ 105.00
41-45	\$ 120.00
46-50	\$ 135.00
Over 50	\$ 3.00 per delinquent

MISCELLANEOUS CHARGES

Discovery Plus Locator/Information Search	\$ 30.00
Estate Claim	\$ 250.00
Claim for Excess Proceeds	\$ 275.00
Miscellaneous Demand Letters	\$ 75.00

FORECLOSURE CHARGES

Our foreclosure flat rate charge of \$1,600.00 will be billed in the following increments:

Foreclosure Warning Letter	\$ 175.00
Order Title	\$ 25.00
Foreclosure Feasibility Letter	\$ 175.00
Drafting of Foreclosure Documents	\$ 350.00
Preparing for Sale	\$ 350.00
Attending Sale	\$ 250.00
Finalize Foreclosure	<u>\$ 275.00</u>
Total	\$1,600.00

This flat rate charge of \$1,600.00 does not include the cost to review the title report and obtain payoff from secured parties, which will be billed at the hourly rate of the person performing the work.

These increments will be billed as the work that they reflect occurs. In the event that a foreclosure action is stopped due to the delinquent owner making full payment or due to the owner filing bankruptcy, or the like, only those charges thus far accumulated will be due. These amounts, of course, are only our charges for this work. Other charges incurred in the foreclosure process (such as advertising) will be billed at actual cost, without markup or surcharge.

Please note that we have weighted these increments so that a substantial portion of the fees are billed toward the end of the process. We hope that this incremental billing will make the foreclosure process more financially feasible for the Association in these tough economic times.

WRIT OF EXECUTION/SHERIFF'S SALE CHARGES

Writ Warning Letter		\$175.00
Writ Feasibility Letter		\$175.00
Draft Writ of Execution		\$150.00
Writ Demand Letter #1	(OPTIONAL)	\$ 75.00
Sheriff's Letter to Proceed		\$ 75.00
Writ Demand Letter #2	(OPTIONAL)	\$ 75.00
Finalize sale		\$250.00

These charges will be billed as the work that they reflect occurs. The flat rate charges does not include the cost to review the title report and obtain payoff from secured parties, which will be billed at the hourly rate of the person performing the work. Other work, such as attending the sheriff's sale (if the Board deems that necessary) will also be billed at our normal hourly rates. In the event that a writ is stopped due to the delinquent owner making full payment or due to the owner filing bankruptcy, or the like, only those charges thus far accumulated will be due. These amounts, of course, are only our charges for this work. Other charges incurred in the writ process (such as the title report) will continue to be billed at actual cost, without markup or surcharge.

Harford Pines II Budget 2021

Proposed Income

Valles Court	Income	Demarest Court	Income
1 Valles Court	\$250	1 Demarest Court	\$250
2 Valles Court	\$250	2 Demarest Court	\$250
3 Valles Court	\$250	3 Demarest Court	\$250
4 Valles Court,	\$250	4 Demarest Court	\$250
5 Valles Court	\$250	5 Demarest Court	\$250
6 Valles Court	\$250	6 Demarest Court	\$250
7 Valles Court	\$250	7 Demarest Court	\$250
8 Valles Court	\$250	8 Demarest Court	\$250
9 Valles Court	\$250	9 Demarest Court	\$250
10 Valles Court	\$250	10 Demarest Court	\$250
Total	\$2,500		\$2,500

Total income

\$5,000

Proposed Expenses

Expense	Proposed Date	Amount
Grass Cutting	April 17, 2021	\$300
Grass Cutting	May 10, 2021	\$300
Grass Cutting	May 23, 2021	\$300
Grass Cutting	June 6, 2021	\$300
Grass Cutting	June 20, 2021	\$300
Grass Cutting	July 3, 2021	\$300
Grass Cutting	July 18, 2021	\$300
Grass Cutting	August 1, 2021	\$300
Grass Cutting	August 15, 2021	\$300
Grass cutting	August 29, 2021	\$300
Grass cutting	September 12, 2021	\$300
Grounds Insurance	June	\$450- 500 (quote pending)

Total

\$3,800

The remaining money will be there for snow removal. Last year we paid an extra \$600 to have an initial clean up. Trees were removed. We are hoping to have even more clean up this year but we need your help. Please contribute promptly.

OLD HARFORD PINES II HOMEOWNERS ASSOCIATION

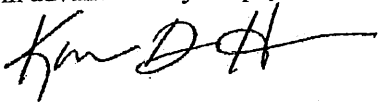
May 18, 2021

Dear Homeowner,

Below are two forms for you to use when mailing your dues for the 2021 Old Harford Pines II Homeowners Association. You may pay the full amount of \$250 or make two installments of \$125 each. If you make two payments, the first payment is due upon receipt or no later than June 15th and the second is due September 1, 2021.

Money from the dues are used for insurance, maintenance of the common grounds, and snow removal. There has not been enough money in the accounts for snow removal for many years. The Homeowners Association needs everyone's payment in order to reinstate the snow removal service. Unfortunately, the dues for the lawn cutting has almost doubled to \$300 per cut. For this reason, we need to ask for more money. It is very important that everyone pay in full, especially now, that the bulk of payments of the lawn service, have increased from \$175 to \$300 per cut.

We have had two cuts so far. Please pay as soon as possible. The same people are paying every year and keeping us afloat. It is very unfortunate that the burden falls on the same people. Please note that if you have not been paying for the HOA dues, you will be asked to pay for all overdue years upon the selling of your house. If you could please address any concerns to Karen Sayre, at 10 Valles Ct. or Aaron Jacobs, 7 Valles Ct. Thank you in advanced for your payment. Please provide an active email address so that I can cut back on mail costs. Thank you!



Second payment due NO LATER THAN September 1, 2021

Name: _____

Address: _____

Amount: _____ Check # _____

(Checks payable to Old Harford Pines II Homeowners Association) e-mail address: _____

Mail to: Old Harford Pines II
c/o Karen Dubon Sayre, Treasurer
10 Valles Court
Parkville, MD 21234

First or total payment due upon receipt or not later than May 15, 2021

Name: _____

Date: _____

Address: _____

Amount: _____ Check # _____

(Checks payable to Old Harford Pines II Homeowners Association) e-mail address: _____

Mail to: Old Harford Pines II
c/o Karen Dubon Sayre, Treasurer
10 Valles Court
Parkville, MD 21234

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~~Mike Conniff~~

~~882 6185~~

DISCLOSURE STATEMENT

FOR

OLD HARFORD PINES II

AUGUST 1, 1988

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DISCLOSURE STATEMENT RECEIPT

I/We acknowledge that on _____, 19____,
I/we received a copy of the Disclosure Statement for the Old
Harford Pines II Homeowners Association project dated
_____, 19____.

Date

Buyer #1 - Signature

Buyer #1 - Print Name

Date

Buyer #2 - Signature

Buyer #2 - Print Name

Lot

Contract Date

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SUMMARY

The attached Disclosure Statement contains certain information regarding the Old Harford Pines II project (the "Property"), as required by Section 11B-105 of the Maryland Homeowners Association Act (the "Act"). Upon purchasing a Lot within the Property, you will have certain rights and obligations, including the obligation to pay assessments to Old Harford Pines II Homeowners Association, Inc. (the "Homeowners Association").

THE FOLLOWING SUMMARY IS NOT INTENDED TO BE A COMPLETE EXPLANATION OF THE MATTERS COVERED BY THE DISCLOSURE STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT. PROSPECTIVE PURCHASERS ARE URGED TO READ CAREFULLY THE ENTIRE DISCLOSURE STATEMENT.

The Property is located in Baltimore County, Maryland on the southwest side of Summit Avenue approximately 500 feet northwest of Old Harford Road. The Property will initially cover approximately 4.145 acres and contain 20 Lots. All Lot Owners will share the right to use certain Open Spaces and Parking Areas located within the Property. The Declarant has reserved the right to add a storm water management facility, covering approximately 0.677 acres, to the Property.

Each Lot Owner will be a Member of the Homeowners Association. The day to day operation of the Homeowners Association will be governed by its board of directors and officers. By reason of the special voting rights it has reserved, James Keelty & Co., Inc. (the "Declarant") will control the selection of the directors and officers of the Homeowners Association until the earlier of (1) the conveyance by the Declarant of record title to at least 15 Lots within the Property or (2) January 1, 1994.

The estimated expenses of operating the Homeowners Association during the first annual assessment period are set out in the Proposed Annual Budget which is attached to this Disclosure Statement as Exhibit V. The income of the Homeowners Association will be generated primarily through an annual assessment imposed against the Lot Owners.

The Declarant has established certain rules and regulations and certain architectural controls for the purpose of maintaining a uniform scheme of development within the Property governed by the Homeowners Association. To that end, any Lot Owner (other than the Declarant) who desires to make any addition or alteration to his or her home or Lot may do so only with the prior written approval of (1) the board of directors or architectural control committee of the Homeowners Association, and (2) prior to January 1, 1996, the Declarant.

Other important rights and obligations of the Lot Owners are also described in the Disclosure Statement, which should be read in its entirety. You should pay particular attention to the following portions of the Disclosure Statement: (a) Part 7, which describes the property to be owned, leased or maintained by the Homeowners Association, and (b) Part 8, which describes the assessments payable by the Lot Owners, including the reduced assessment payable by the Declarant, and (c) Part 13, which describes certain special rights reserved by the Declarant. You should also read carefully each exhibit to the Disclosure Statement.

INTRODUCTION

This Disclosure Statement contains certain information which James Keelty & Co., Inc. (the "Declarant") is required to disclose to the lot buyers pursuant to Section 11B-105 of the Maryland Homeowners Association Act (the "Act"), which is set forth in Title 11B of the Real Property Article of the Annotated Code of Maryland (1988 Replacement Volume), as amended by 1988 Md. Laws Chapter 32 (H.B. 388). The disclosures required by the Act consist of 13 parts. Each such part is set forth on a separate sheet (or sheets) of this Disclosure Statement. For each part, the disclosure requirement imposed by the Act is set forth at the top of the sheet, and is followed by a solid line. The Declarant's response is set forth below that line. Certain documents relevant to the disclosures required by the Act are attached at the end of this Disclosure Statement as Exhibits.

The disclosures contained herein are believed by the Declarant to be true as of the date this Disclosure Statement is delivered to the Buyer. The Declarant reserves the right to amend this Disclosure Statement from time to time to reflect changes in the Declarant's plans concerning the Old Harford Pines II project, changes in the documents which are attached to this Disclosure Statement, changes in the laws governing the project, and any other changes affecting the information set forth in this Disclosure Statement. The Declarant will give the Buyer a copy of each substantial and material amendment which is made to this Disclosure Statement prior to the settlement held under the Buyer's Contract of Sale.

Some of the statements made in this Disclosure Statement refer to the proposed Declaration of Covenants, Conditions and Restrictions of the Homeowners Association (the "HOA Declaration"), which is attached to this Disclosure Statement as Exhibit I, and to the proposed Articles of Incorporation and By-laws of the Homeowners Association, which are attached to this Disclosure Statement as Exhibits III and IV, respectively. These documents should be read in their entirety. References in this Disclosure Statement to specified provisions of such documents are designed only to highlight certain information which is required to be disclosed pursuant to the Act. Such documents may contain other provisions which also relate to the disclosures made herein.

The HOA Declaration, Articles of Incorporation, and By-laws are divided into (1) major sections, which are referred to as "Articles" and are designated by roman numerals, and (2) smaller sections, which are referred to as "Paragraphs" or "Sections" and are designated by arabic numerals. Subparagraphs and subsections are numbered in lower case roman numerals, or in lower case letters. Hence, a reference to subparagraph (iii) or (c) of Paragraph 5 of Article XII of any of these documents will be designated as Article XII (5)(iii) or Article XII (5)(c), respectively, in this Disclosure Statement.

There are certain discrepancies in terminology between the documents contained in this Disclosure Statement, on the one hand, and the Act, on the other hand.

1. Although the Act uses the term "lot owners" or "owners of lots", the HOA Declaration refers to lot owners as "Record Owners". (See the definition of "Record Owner" in Article I(16) of the HOA Declaration.) The narrative portions of this Disclosure Statement use the term "Lot Owners" in order to be consistent with the Act.

2. Section 11B-101(f)(1) of the Act defines "Development" as "property subject to a declaration". On the other hand, the HOA Declaration refers to the property subject to the HOA Declaration as the "Property". (See the definition of "Property" in Article I(15) of the HOA Declaration.) This Disclosure Statement will refer to the real property subjected to the HOA Declaration as the "Property".

3. Section 11B-101(b) of the Act defines "Common Areas" as "property which is owned or leased by a homeowners association." Article I(4) of the HOA Declaration defines "Common Areas" more broadly as "all areas of the Property, other than the Lots, owned or leased by the Association, or otherwise available to the Association for the common use, benefit and enjoyment of the Record Owners" (emphasis added.) This Disclosure Statement will use the term "Common Areas" in its broader sense.

4. Old Harford Pines II Homeowners Association, Inc. is referred to as a "Homeowners Association" by the Act and as the "Association" by Article I(1) of the HOA Declaration. The terms "Homeowners Association" and "Association" are used interchangeably in this Disclosure Statement.

Except as otherwise provided above, each capitalized term used in this Disclosure Statement and defined in the HOA Declaration shall have the meaning ascribed to such term by the HOA Declaration.

PART 1

(I) The name, principal address, and telephone number of the vendor and of the declarant, if the declarant is not the vendor; or

(II) If the vendor is a corporation or partnership, the names and addresses of the principal officers of the corporation, or general partners of the partnership.

I. The name of the Vendor/Declarant is James Keelty & Co., Inc.

The principal address and telephone number of the Vendor/Declarant are as follows:

James Keelty & Co., Inc.
61 East Padonia Road
P. O. Box 528
Timonium, Maryland 21093-0528
Telephone: (301) 252-8600

II. The names of the principal officers of James Keelty & Co., Inc. are as follows:

Joseph S. Keelty	Chairman
James Keelty, III	President
Michael Keelty	Executive Vice President
Catherine T. Heuer	Secretary/Treasurer

The address of each such officer is:

James Keelty & Co., Inc.
61 East Padonia Road
P. O. Box 528
Timonium, Maryland 21093-0528

PART 2

- (I) The name, if any, of the homeowners association; and
- (II) If incorporated, the state in which the homeowners association is incorporated and the name of the Maryland resident agent.
-

- I. The name of the Homeowners Association is Old Harford Pines II Homeowners Association, Inc.
- II. The Homeowners Association is or will be incorporated in the State of Maryland. The name of the Maryland resident agent is Richard A. Ransom.

PART 3

A description of:

(I) The location and size of the development, including the minimum and maximum number of lots currently planned or permitted, if applicable, which may be contained within the development; and

(II) Any property owned by the declarant or the vendor contiguous to the development which is to be dedicated to public use.

- I. The Property is located in the Ninth Election District of Baltimore County, Maryland, on the southwest side of Summit Avenue approximately 500 feet northwest of Old Harford Road. The total acreage of the Property will originally be approximately 4.145 acres. The Property will contain 20 Lots. The Declarant has reserved the right to add to the Property a storm water management facility covering approximately 0.677 acres. See Section II of this Part 3, and Part 5 of this Disclosure Statement, for more information concerning the storm water management facility.
- II. The Declarant will initially own all streets constructed within the Property, but the Declarant has offered, or will offer, to dedicate (convey) all such streets to Baltimore County. See Article III(1)(a) of the HOA Declaration. The Declarant expects Baltimore County to accept the title to such streets, provided such streets conform to all applicable Baltimore County requirements.

The Declarant will also initially own the Local Open Space (containing approximately 0.328 acres) which is located immediately to the northwest of Perring Road. The 0.328 Acre Parcel of Local Open Space will be conveyed to the Board of Education of Baltimore County.

Additionally, the Declarant will initially own the storm water management facility (covering approximately 0.677 acres) which is located southwest of Lots 16-20 along the southeast side of Perring Road. The Declarant has offered, or will offer, to dedicate the storm water management facility to Baltimore County. The Declarant expects Baltimore County to accept the title to such facility, provided that it conforms to all applicable Baltimore County requirements. If Baltimore County refuses to accept title to the storm water management facility, the Declarant may add such facility to the Property and convey such facility to the Homeowners Association.

See Parts 5 and 7 of this Disclosure Statement for additional information concerning the storm water facilities and streets serving the Property.

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PART 4

If the development is or will be within or a part of another development, a general description of the other development.

The Property is not and will not be within or a part of another development.

PART 5

If the declarant has reserved in the declaration the right to annex additional property to the development, a description of the size and location of the additional property and the approximate number of lots currently planned to be contained in the development, as well as any time limits within which the declarant may annex such property.

In Article IX(3) of the HOA Declaration, the Declarant has reserved the right to add a storm water management facility to the Property and convey such facility to the Association on or before December 31, 1995. Such facility covers approximately 0.677 acres and is located southwest of Lots 16-20 along the southeast side of Perring Road. If such facility is conveyed to the Association, it will become a Common Area and the Association will be responsible for its maintenance. The Declarant is not obligated to add such facility to the Property or to convey such facility to the Association. Such facility may be conveyed to Baltimore County, instead. Whether or not the storm water management facility is added to the Property, the number of Lots contained within the Property will remain at 20. See Parts 3 and 7 of this Disclosure Statement for additional information concerning the storm water management facility.

PART 6

A copy of:

I. The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable; and

II. The bylaws and rules of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable.

I. The proposed Articles of Incorporation are attached to this Disclosure Statement as Exhibit III. The proposed Declaration of Covenants, Conditions and Restrictions which will subject the Property to governance by Old Harford Pines II Homeowners Association, Inc. (the "HOA Declaration") is attached to this Disclosure Statement as Exhibit I.

The obligations imposed by the Articles of Incorporation and the HOA Declaration are enforceable against the Lot Owners and their tenants to the extent provided by the Articles of Incorporation and the HOA Declaration, and by state law. See especially the paragraph immediately preceding Article I of the HOA Declaration, and Articles III (5), IV (1) and (3), VI (8), VIII (12) and XIII (1) of the HOA Declaration.

Two other Declarations of Covenants, Conditions and Restrictions affecting the Property are also attached to this Disclosure Statement. (1) The Declaration of Covenants, Conditions and Restrictions, dated March 3, 1988, and recorded in the Land Records of Baltimore County at Liber S.M. 7807, folio 216 (the "Open Space Declaration"), which restricts the use of the Open Spaces, is attached to this Disclosure Statement as Exhibit II-A. (2) A proposed Declaration of Covenants, Conditions and Restrictions (the "Architectural Declaration"), which gives the Declarant a right of approval over all architectural changes and additions made to the dwellings within the Property prior to January 1, 1996, is attached to this Disclosure Statement as Exhibit II-B.

The obligations imposed by the Open Space Declaration and the Architectural Declaration are enforceable against the Lot Owners and their tenants to the extent provided by the Open Space Declaration and the Architectural Declaration, respectively. See especially the paragraph immediately preceding Article I of each such declaration.

II. The proposed By-Laws are attached to this Disclosure Statement as Exhibit IV. Certain rules and regulations are set forth in Article VIII of the HOA Declaration. Article XV of the By-Laws authorizes the Board of

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Directors to adopt additional rules and regulations for the use, operation and maintenance of the Common Areas and the improvements thereon. The Board of Directors has yet not adopted any such rules and regulations.

The obligations imposed by the By-Laws and the rules and regulations of the Association are enforceable against the Lot Owners and their tenants to the extent provided by the By-Laws and the HOA Declaration, and by state law. See especially the paragraph immediately preceding Article I of the HOA Declaration, and Articles III(5), IV(1) and (3), VIII(12) and XIII(1) of the HOA Declaration.

PART 7

A description or statement of any property which is currently planned to be owned, leased or maintained by the homeowners association.

The following statements describe various facilities that are currently included in the Declarant's plans for the Property. Changes in economic conditions, buyer preferences, construction costs, legal requirements and other factors may cause the Declarant to make substantial changes in its plans for the Property. The Declarant reserves the right to make any changes in its plans which the Declarant, in its sole discretion, deems appropriate, except as otherwise provided in the contract of sale to which this Disclosure Statement is attached.

Parking Areas. Parking areas, constructed of bituminous concrete, will be located on the northeast and southwest sides of Demarest Court and Valles Court for the use of all Lot Owners, in common. These parking areas will generally be 18 feet long, consisting of (a) ten feet of pavement upon Common Areas owned by the Homeowners Association and (b) eight feet of pavement upon street rights of way which are to be dedicated (conveyed) to Baltimore County. All of the parking areas, however, including those portions which lie in the street rights of way, will be maintained by the Homeowners Association.

Curbs. Step-type curbs, approximately six inches high and constructed of poured concrete, will be installed along the edges of Perring Road, Demarest Court and Valles Court. Such curbs will be located partly upon the street rights of way, and partly upon land owned by the Homeowners Association. The Homeowners Association will be responsible for maintaining only those portions of the curbs which lie upon land owned by the Homeowners Association. The curbs within each street right of way will be maintained by Baltimore County, if and when such right of way is dedicated to Baltimore County.

Sidewalks. The Property will be served by a series of four foot wide, poured concrete sidewalks. The Homeowners Association will be responsible for maintaining those sidewalks located upon the Common Areas or the street rights of way. Each Lot Owner, however, will be responsible for maintaining the sidewalk which runs across his or her Lot to his or her dwelling from the sidewalk which is located in front of his or her Lot.

Storm Water Facilities. A storm water collection system, comprised in part of underground pipes, is being constructed by the Declarant within the Property. The storm water collection system is located partly under the streets and partly within the Common Areas. The portion of the storm water collection system located under the streets will be owned and maintained by the Declarant until the streets are conveyed to Baltimore County. The portion of the storm water collection system located within the Common Areas will be

maintained by the Declarant pursuant to an easement set forth in Article III(1)(b) of the HOA Declaration until Baltimore County accepts responsibility for the maintenance of such portion of the storm water collection system. The Plat described in Paragraph 1 of the Explanatory Statement on page 1 of the HOA Declaration provides Baltimore County with an easement for such purposes.

The storm water collection system will feed into an off-site storm water management facility, which the Declarant intends to convey to Baltimore County. If Baltimore County refuses to accept such conveyance, the Declarant may add the storm water management facility to the Property and convey such facility to the Homeowners Association, as provided in Article IX(3) of the HOA Declaration. If such facility is conveyed to the Homeowners Association, the Homeowners Association will become responsible for maintaining such facility. (See Section II of Part 3 of this Disclosure Statement for further information concerning the storm water management facility.)

Open Spaces. The areas identified as H.O.A. Local Open Space on the Plat, and designated as Open Spaces in the HOA Declaration, have a total area of approximately 0.948 acres, and are comprised of the following areas:

H.O.A. Local Open Space: 0.213 acres ±
H.O.A. Local Open Space: 0.441 acres ±
H.O.A. Local Open Space: 0.294 acres ±

These Open Spaces will be grass-covered for the most part, and will be owned and maintained by the Homeowners Association. See Articles III, IV and XII of the HOA Declaration for further information concerning the ownership, use and maintenance of the Open Spaces.

The Open Spaces to be conveyed to the Homeowners Association do not include the area shown on the Plat as "Local Open Space: 0.328 Acres ±". (See Section II of Part 3 of this Disclosure Statement for further information concerning such area.)

PART 8

A copy of the estimated proposed or actual annual budget for the homeowners association for the current fiscal year, including a description of the replacement reserves for common area improvements, if any, and a copy of the current projected budget for the homeowners association based upon the development fully expanded in accordance with expansion rights contained in the declaration.

I. Declarant Funding Period.

The Declarant will pay the ordinary out-of-pocket expenses incurred by the Homeowners Association during the period beginning upon the creation of the Homeowners Association and ending one day before the commencement of the first annual assessment period (the "Declarant Funding Period"). Such ordinary out-of-pocket expenses will include grounds maintenance, snow removal and insurance expenses of the types shown in the budget attached to this Disclosure Statement as Exhibit V (the "Proposed Budget"). The "ordinary out-of-pocket expenses" which the Declarant has agreed to pay do not include the funding of reserves, the cost of defending and satisfying tort claims against the Homeowners Association, and other expenses of types or in amounts not reflected in the Proposed Budget. At the end of the Declarant Funding Period, the Homeowners Association will be obligated to reimburse the Declarant for all amounts paid in advance by the Declarant for goods and services to be received by the Homeowners Association after the Declarant Funding Period.

The first annual assessment period will commence upon the earlier of (a) a date to be determined by the Board of Directors or (b) the date the Class B Membership ceases to exist (e.g., when the Declarant has conveyed legal title to at least 15 Lots within the Property). Through its initial control of the Board of Directors of the Homeowners Association, the Declarant can, if it so desires, cause the first annual assessment period to commence (and the Declarant Funding Period to end) earlier than the date the Class B membership ceases to exist. In any event, the Declarant Funding Period will probably end within one year after the first Lot settlement.

II. Proposed Budget for the First Annual Assessment Period.

- (a) Adoption of Budget. The Declarant proposes that the Proposed Budget be adopted for use by the Homeowners Association during the first annual assessment period. The actual budget for the first annual assessment period is to be adopted by the Board of Directors of the Homeowners Association pursuant to Article VI(3) of the HOA Declaration. The Declarant may still be in control of the Board of Directors when the budget for the first annual assessment period is adopted. (See Section III(b)(ii) of Part 13 of this Disclosure Statement).

(b) General Qualifications. The expense estimates contained in the Proposed Budget are subject to the following qualifications:

- (i) The cost figures set forth in the Proposed Budget are only estimates, not guarantees. Even if the Proposed Budget is adopted by the Board of Directors without amendment, the actual expenditures by the Association for the listed items may vary substantially from the budgeted amounts.
- (ii) The cost estimates are based upon June 1, 1988 price levels, without any allowance for the price increases that have occurred since that date or for the price increases that are likely to occur in the future.
- (iii) The Declarant does not intend to suggest that expenditures will not be necessary or desirable for items which are not included within the Proposed Budget. For example, if the storm water management facility is conveyed to the Association, the Association will be responsible for maintaining, repairing and replacing such facility. The Developer expects that, under normal circumstances, the annual cost of maintaining such facility will be minimal. The facility could be damaged or destroyed by a major storm, however, and the cost of rebuilding the facility may be substantial.
- (iv) The estimated expenses set forth in the Proposed Budget do not reflect expenditures for debt service on the Lot Owner's mortgage, real property taxes on the Lot and dwelling, utilities (such as water, electricity, telephone and cable TV) serving the Lot and dwelling, casualty and liability insurance for the Lot and dwelling, grounds maintenance and snow removal for the Lot, maintenance and repairs on the dwelling, and other items for which each Lot Owner is individually and directly responsible.

(c) Replacement Reserve Qualifications. The replacement reserve estimates described in footnote 4 of the Proposed Budget are subject to the following qualifications:

- (i) All of the cost and useful life figures used in calculating the replacement reserves are only estimates, not guarantees.
- (ii) The cost estimates are based upon June 1, 1988 price levels, without any allowance for the price increases that have occurred since that date or for the price increases that are likely to occur in the future.
- (iii) The Declarant does not intend by the mention of any useful life to establish the date upon which such useful life will begin or to guarantee that payments into the applicable replacement reserve will begin at the commencement of such useful life. In any event, the replacement reserves will

not be funded prior to the beginning of the first annual assessment period.

- (iv) The Declarant cannot give any assurance that the replacement reserves will be properly maintained, invested, and applied by the Association, or that, even if properly maintained, invested, and applied, the replacement reserves will be sufficient to cover the cost of repairing, replacing or repainting the listed Common Area improvements whenever any such repair, replacement or repainting becomes necessary or desirable.
- (v) The Declarant does not intend by the mention of the common elements listed above to suggest that a reserve for the repair, replacement or repainting of other Common Area improvements is unnecessary or undesirable.
- (vi) Each Lot Owner is responsible for cleaning, maintaining, repairing, and/or replacing his or her Lot and dwelling.

III. Annual Assessments.

After the expiration of the Declarant Funding Period, the Homeowners' Association will obtain funds to pay the expenses, including reserves, required for the maintenance of the Common Areas and the operation of the Homeowners Association by imposing an annual assessment against each Lot.

As stated above, the first annual assessment period will begin on the earlier of (a) a date to be determined by the Board of Directors or (b) the date the Class B membership ceases to exist (e.g., when the Declarant has conveyed legal title to at least 15 Lots within the Property). The first annual assessment period will end on December 31 of the same calendar year in which it begins. Thus, the first annual assessment period may be substantially shorter than the 12 month period covered by the Proposed Budget.

The annual assessment will be imposed uniformly against all Lots, except that the annual assessment against each Lot owned by the Declarant will be only one-fourth of the annual assessment against each Lot owned by anyone other than the Declarant.

An annual assessment of \$150 per Lot would be sufficient to raise the \$3,000 of income required by the Proposed Budget if such \$150 assessment were imposed against all 20 Lots. The Declarant will probably own some of the Lots during at least part of the first annual assessment period, however. Thus, an annual assessment somewhat in excess of \$150 per Lot will probably be required to raise the budgeted income of \$3,000. The amount of such excess will not be established until shortly before the end of the Declarant Funding Period, when the Declarant can better estimate (1) how many Lots it will own at the beginning of the first annual assessment period, and (2) how long it will own such Lots.

The reduced annual assessment for each Declarant-owned Lot is intended to apply only to the portion of the annual assessment period during which the Declarant owns the Lot. Thus, when the Declarant sells a Lot, the one-fourth assessment will apply only to the portion of the annual assessment period falling prior to the settlement, and the full assessment will apply to the portion of the annual assessment period falling after the settlement, and both such amounts will be prorated to the settlement date. For example, if the "full" assessment were \$180 per Lot, if the annual assessment period covered a full calendar year, if the annual assessment were payable in a lump sum on January 1, and if the settlement on a particular Lot were held on May 1, then the liability for the annual assessment against the Lot would be allocated as follows:

Declarant's liability	\$45 x 1/3 year = \$ 15
Buyer's liability	\$180 x 2/3 year = <u>\$120</u>
Total assessment revenue from this Lot	\$135

Under this example, the \$120 owed by the buyer would be paid at settlement and would be distributed as follows: (a) \$30 would be paid to the Declarant as reimbursement for the amount previously paid by the Declarant to the Homeowners Association for the period from May 1 through December 31, and (b) \$90 would be paid to the Homeowners Association.

IV. Special Assessments

If the Association determines at any time that the annual assessment, then in effect or the reserve funds then existing are inadequate, or that additional funds are otherwise required for the payment of common expenses, the Association may levy a special assessment against the Lot Owners. The responsibility for payment of the special assessment will be allocated equally among the Lot Owners, except that the special assessment against each Lot owned by the Declarant will equal only one-fourth of the special assessment against each Lot owned by anyone other than the Declarant. Each special assessment may be imposed in the form of a lump sum or periodic installments.

V. Further Information

More detailed information concerning the nature of the common expenses and reserve funds, the budgetary process, and the manner in which the annual and special assessments are to be established, collected and enforced, is set forth in Article VI of the HOA Declaration, and in Article XI of the By-laws.

PART 9

A statement of current or anticipated mandatory fees or assessments to be paid by owners of lots within the development for the use, maintenance, and operation of the common areas and for other purposes related to the homeowners association and whether the declarant or vendor will be obligated to pay the fees in whole or in part.

-
- I. The annual and special assessments to be paid by Lot Owners for the use, maintenance, and operation of the Common Areas and for other purposes related to the Homeowners Association are described in Sections III and IV of Part 8 of this Disclosure Statement.
 - II. The annual assessment imposed against each Lot owned by the Declarant will equal only one-fourth of the annual assessment imposed against the Lots of other Lot Owners. See Section III of Part 8 of this Disclosure Statement and Article VI(5)(a) of the HOA Declaration for further information.

PART 10

(I) A brief description of zoning and other land use requirements affecting the development; or

(II) A written disclosure of where the information is available for inspection.

Information regarding zoning and other land use requirements affecting the Property may be found at the following locations:

- (A) Local land use laws: Baltimore County Department of Planning and Zoning
111 W. Chesapeake Avenue
Towson, Maryland 21204
- (B) State land use laws: Department of State Planning
State Office Building
301 West Preston Street, Room 1107
Baltimore, Maryland 21201
- (C) Federal land use laws: Library of Congress
Madison Building, Room 201
101 Independence Ave.
Washington, D.C. 20540

PART 11

A statement regarding:

(I) When mandatory homeowners association fees or assessments will first be levied against owners of lots;

(II) The procedure for increasing or decreasing such fees or assessments;

(III) How fees or assessments and delinquent charges will be collected;

(IV) Whether unpaid fees or assessments are a personal obligation of owners of lots;

(V) Whether unpaid fees or assessments bear interest and if so, the rate of interest;

(VI) Whether unpaid fees or assessments may be enforced by imposing a lien on a lot under the terms of the Maryland Contract Lien Act; and

(VII) Whether lot owners will be assessed late charges or attorneys' fees for collecting unpaid fees or assessments and any other consequences for the nonpayment of the fees or assessments.

-
- I. See Section III of Part 8 of this Disclosure Statement as to (a) when the first annual assessment period will commence, and (b) how the annual assessment will be adjusted between the Declarant and the buyer at the settlement.
 - II. The procedure for increasing or decreasing such fees or assessments is described in Article VI (3) of the HOA Declaration.
 - III. Information regarding how fees or assessments and delinquent charges will be collected is provided in Articles VI (1), (5), (6) and (8) of the HOA Declaration.
 - IV. Unpaid fees and assessments are a personal obligation of the Lot Owner. See Articles VI (1) and (8) of the HOA Declaration.
 - V. Unpaid fees or assessments will bear interest at the highest rate allowed by law, provided that if no maximum rate is established by law, such interest will be computed at 18% per annum. See Article VI (8)(a) of the HOA Declaration.
 - VI. Unpaid fees or assessments of the Homeowners Association may be enforced by imposing a lien on a Lot under the terms of the Maryland Contract Lien Act. See Articles VI (1), (8), and (9) of the HOA Declaration.

VII. If a Lot Owner fails to pay a fee or assessment when it is due, the Lot Owner may be required to pay a late charge and the attorneys' fees incurred by the Homeowners Association in collecting such unpaid fee or assessment, and the Homeowners Association may foreclose the above mentioned lien by selling the Lot Owner's Lot and the improvements on the Lot in order to obtain funds to cover the unpaid fee or assessment. More detailed information concerning the remedies available to the Homeowners Association for the collection of unpaid fees and assessments, and the consequences to the defaulting Lot Owner of the exercise by the Homeowners Association of such remedies, is set forth in Articles VI (1), (5)(c), (8) and (9) of the HOA Declaration.

PART 12

If any sums of money are to be collected at settlement for contribution to the homeowners association other than prorated fees or assessments, a statement of the amount to be collected and the intended use of such funds.

No fee or assessment, other than the annual assessment referred to in Section I of Part 11 of this Disclosure Statement, will be collected at settlement for contribution to the Homeowners Association.

PART 13

A description of special rights or exemptions reserved by or for the benefit of the declarant or the vendor, including:

- (I) The right to conduct construction activities within the development;
- (II) The right to pay a reduced homeowners association fee or assessment; and
- (III) Exemptions from use restrictions or architectural control provisions contained in the declaration or provisions by which the declarant or the vendor intends to maintain control over the homeowners association.

I. Declarant's right to conduct construction activities within the Property.

- (a) The Declarant has retained the ownership of the rights-of-way laid out within the Property and has the right to construct streets and utilities within the rights-of-way. See Article III(1)(a) of the HOA Declaration.
- (b) The Declarant has the right to construct within the Common Areas facilities for water, sanitary sewer, storm water management, sediment control, gas, electric, telephone, television transmittal, and other utilities. See Article III (1)(b) of the HOA Declaration.
- (c) The Declarant is exempt from the architectural controls set forth in Article VII of the HOA Declaration.
- (d) The Declarant may erect construction and/or sales offices on any Lot which it owns and may erect advertising and directional signs on any such Lot or the Common Areas. See Article VIII (1)(a) of the HOA Declaration.

II. Declarant's right to pay a reduced Homeowners Association fee or assessment.

See Section II of Part 9 of this Disclosure Statement.

III. (a) Declarant's exemptions from use restrictions or architectural control provisions.

- (i) The Declarant is exempt from the architectural controls set forth in Article VII of the HOA Declaration.
- (ii) The Declarant is partially exempt from the residential use restriction of Article VIII (1) of the HOA Declaration.

- (iii) The Declarant is exempt from the restriction against subdivision of Lots into two or more Lots. See Articles VIII (3) and IX (1) of the HOA Declaration.
- (iv) The Declarant is partially exempt from the restriction against the parking or storage of commercial vehicles on any Lot. See Article VIII (6) of the HOA Declaration.
- (v) The Declarant is partially exempt from the restriction against the erection of signs on any Lot. See Articles VIII (1) and (7) of the HOA Declaration.

(b) Provisions by which the Declarant intends to maintain control over the Homeowners Association.

- (i) The Declarant appointed the original members of the Board of Directors of the Homeowners Association in Article VI of the Articles of Incorporation.
- (ii) The Declarant, as a Class B Member, is entitled to the number of votes equal to the product obtained by multiplying (i) three times (ii) the number of Lots then owned of record by the Declarant. All other Lot Owners, as Class A Members, are entitled to only one vote per Lot. The Class B membership will be converted to Class A membership on January 1, 1994, or at such earlier time as the total number of votes held by Class A Members equals or exceeds the total number of votes held by the Declarant. See Articles V (2) and (3) of the HOA Declaration and Article V (a) of the Articles of Incorporation. The effect of these voting provisions is that the Declarant will hold a majority of the votes in the Homeowners Association, and thus will be able to control the selection and removal of the directors and officers of the Homeowners Association, until the earlier of (1) the conveyance by the Declarant of record title to at least 15 Lots within the Property, or (2) January 1, 1994.

Miscellaneous special rights or exemptions reserved by or for the benefit of the Declarant.

- (i) Article IV (5) of the HOA Declaration permits the Declarant to amend the HOA Declaration without the consent of the Lot Owners where necessary to satisfy the requirements of any Secondary Financing Agency, as such term is defined in Article I (17) of the HOA Declaration.
- (ii) The Declarant has reserved the right to use the name "Old Harford Pines II". See Article IX (2) of the HOA Declaration.
- (iii) The Declarant has reserved the right to add a storm water management facility to the Property and to convey such

facility to the Homeowners Association. See Parts 3, 5 and 7 of this Disclosure Statement and Article IX(3) of the HOA Declaration.

- (iv) The Declarant has reserved the right to approve certain amendments to the Declarations and By-laws. See Article XIII (3) of the HOA Declaration, Article V (4) of the Open Space Declaration, Article III (4) of the Architectural Declaration, and Article XVII (1) of the By-laws.
- (v) During the period of Declarant control of the Homeowner's Association, the Declarant may appoint persons who are not Members of the Association to serve on the Board of Directors. See Article IV (1) of the By-Laws.
- (vi) The Declarant has reserved a right of approval over all architectural changes and additions made to the dwellings within the Property prior to January 1, 1996. See the Architectural Declaration.

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EXHIBIT I

HOA DECLARATION

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION is made this _____ day of _____, 19__, by JAMES KEELTY & CO., INC., a Maryland corporation, hereinafter referred to as "Declarant".

Explanatory Statement

1. Declarant is the owner of all that land and premises located on the southwest side of Summit Avenue, approximately 500 feet northwest of Old Harford Road, in the Ninth Election District of Baltimore County, Maryland, containing 4.145 acres of land, more or less, more particularly described as follows:

All that tract of land containing 5.150 acres, more or less, which is shown on a plat entitled "Section Seven, Doncaster Village", prepared by Norman G. Sacks, dated July 29, 1987, and recorded among the Land Records of Baltimore County at Liber S.M. No. 58, folio 25 (the "Plat"), excluding (1) that area designated on the Plat as "Local Open Space" and containing 0.328 acres, more or less (the "0.328 Acre Parcel"), and (2) that area designated on the Plat as "Storm Water Management Reservation" and containing 0.677 acres, more or less (the "Storm Water Management Parcel").

TOGETHER WITH the buildings and improvements thereupon erected, made or being and all rights, alleys, ways, waters, privileges, appurtenances and advantages to the same belonging, or anyway appertaining;

All of the foregoing being hereinafter collectively referred to as the "Property".

2. Declarant desires to subject the Property, and to reserve the right to subject additional property, to the covenants, terms and conditions hereinafter set forth in order to insure that the Common Areas will be used, improved, maintained, operated, and repaired in a proper manner and in accordance with Baltimore County requirements, and to provide for distribution among the Record Owners of the costs of maintaining, operating, repairing and improving the Common Areas.

NOW, THEREFORE, THIS DECLARATION WITNESSETH, Declarant hereby declares that the Property shall be held, conveyed, encumbered, sold, leased, rented, used, occupied and improved subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens hereinafter set forth, all of which are for the purpose of enhancing the value and desirability of the property and shall be deemed to run with and bind the land, and all Record Owners, tenants and other occupants thereof, and inure to the benefit of and be enforceable by Declarant and Association, their respective successors and assigns, and, in addition, any person hereafter acquiring or owning any interest in the Property, including particularly each Record Owner, as from time to time determined.

ARTICLE I

DEFINITIONS

As used in this Declaration, the following terms shall have the meanings herein ascribed thereto, except to the extent otherwise expressly provided, or otherwise resulting from necessary implication. The terms herein defined are:

1. "Association" shall mean and refer to Old Harford Pines II Homeowners Association, Inc., its successors and assigns.

2. "Association Documents" shall mean and refer to this Declaration, the Plat, the Articles of Incorporation and By-laws of the Association, and any rules and regulations duly adopted by the Board of Directors, as each such document may be amended from time to time.

3. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

4. "Common Areas" shall mean and refer to all areas of the Property, other than the Lots, owned or leased by the Association, or otherwise available to the Association for the common use, benefit and enjoyment of the Record Owners. The Common Areas to be owned by the Association at the time of the conveyance of the first Lot are the Open Spaces and Parking Areas.

5. "Declarant" shall mean and refer to James Kealty & Co., Inc., a Maryland corporation, its successors and any assignee to whom the Declarant specifically assigns in writing its rights as Declarant under this Declaration, provided that no such successor or assignee shall be deemed to be the Declarant unless such successor or assignee shall have acquired record title to more than three (3) undeveloped Lots for the purpose of improvement of each such Lot by construction thereon of a single family townhouse type dwelling (including, but not limited to, duplexes and triplexes).

6. "Eligible Holder" shall mean and refer to each Mortgagee who (a) holds a First Mortgage on a Lot, and (b) has given the Association written notice that it desires to receive written notice from the Association of any action requiring the consent of a specified percentage (such as a majority, 66-2/3% or 100%) of the Eligible Holders or of all Mortgagees.

7. "Lot" or "Lots" shall mean, refer to, and include one or more of the twenty (20) building lots contained within the Property and shown on the Plat, excepting in each case any public road or street and any Common Area, no part of which shall be included in any Lot.

8. "Material Change" shall have the meaning ascribed thereto in Article XIII(5) hereof.

9. "Doncaster Village" shall mean and refer to all those parcels of land shown on the plat entitled "Zoning Density Plat, Doncaster Village", dated April 25, 1984 and recorded among the Land Records of Baltimore County

in Plat Book E.H.K., Jr., No. 51, folio 54, which parcels collectively contain 129.9 acres of land, more or less.

10. "Member" shall mean and refer to each Record Owner of one or more Lots now or hereafter created or established on the Property. Whenever in this Declaration any action is required to be taken by a specified percentage of "each class of the then Members" of the Association, then such action shall be required to be taken separately by the specified percentage of the then Class A Members, as that term is defined in Article V(2) herein, and by the specified percentage of the then Class B Members, as that term is defined in Article V(2) herein. Whenever in this Declaration any action is required to be taken by a specified percentage "of the then Members" of the Association, then such action shall be required to be taken by the specified percentage of the then total Members of the Association, based on the allocation of votes set forth in Article V herein.

11. "Mortgage" shall mean and refer to a mortgage, deed of trust or other conveyance in the nature of a mortgage. "Mortgagee" shall mean and refer to the grantee named in a Mortgage or other conveyance in the nature of a Mortgage, the beneficiary or creditor secured under any deed of trust, and the heirs, personal representatives, successors and assigns of such grantee, beneficiary or creditor. "First Mortgage" shall mean, refer to and include a Mortgage with priority over all other Mortgages.

12. "Open Spaces" shall mean and refer to all those three (3) areas designated on the Plat as "H.O.A. Local Open Space", containing 0.213 acres, more or less, 0.441 acres, more or less, and 0.294 acres, more or less, respectively.

13. "Parking Areas" shall mean and refer to all those four (4) areas designated on the Plat as "H.O.A. Easement & Drainage & Utility Easement", two (2) of which areas are located on the northeast and southwest sides, respectively, of Demarest Court, and two (2) of which areas are located on the northeast and southwest sides, respectively, of Valles Court.

14. "Plat" shall have the meaning ascribed thereto in Paragraph 1 of the Explanatory Statement set forth above.

15. "Property" shall have the meaning ascribed thereto in Paragraph 1 of the Explanatory Statement set forth above, as such Property may be expanded pursuant to Article IX(3) herein.

16. "Record Owner" shall mean and refer to the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding record title to a Lot on the Property, as said Lot is now or may from time to time here after be created or established, either in his, her or its own name, or as joint tenants, tenants in common, tenants by the entirety, or tenancy in co-partnership, if the Lot is held in such real property tenancy or partnership relationship. If more than one person, firm, corporation, trustee or other legal entity, or any combination thereof, holds the record title to any one Lot, whether in a real property tenancy, partnership relationship or otherwise, all of same, as a unit, and not otherwise, shall be deemed a single Record Owner and shall be or become a single Member of the Association by virtue of ownership of such Lot. The term

"Record Owner", however, shall not include any contract purchaser, nor the owner of any redeemable ground rent issuing out of any Lot, nor shall it include any mortgagee named in any Mortgage covering any Lot, designed solely for the purpose of securing performance of an obligation or payment of a debt.

17. "Secondary Financing Agency" shall mean and refer to the Federal Housing Administration ("FHA"), Veterans Administration ("VA"), Federal National Mortgage Association ("FNMA") and Federal Home Loan Mortgage Corporation ("FHLMC"), and any successor of any such agency.

18. "Storm Water Management Parcel" shall have the meaning ascribed thereto in Paragraph 1 of the Explanatory Statement set forth above.

19. "0.328 Acre Parcel" shall have the meaning ascribed thereto in Paragraph 1 of the Explanatory Statement set forth above.

ARTICLE II

PROPERTY SUBJECT TO DECLARATION

The real property which is and shall be held, conveyed, encumbered, sold, leased, rented, used, occupied, and improved subject to the terms and provisions of this Declaration is the Property.

ARTICLE III

COMMON AREAS

1. Conveyance of Common Areas. Declarant shall grant and convey to the Association, and the latter shall take and accept from the former, a fee simple interest in the Open Spaces and the Parking Areas, all, however, subject to the covenants, conditions and restrictions hereinafter set forth, which are hereby imposed upon the aforesaid Common Areas for the benefit of Declarant, Association and Record Owners, their respective heirs, personal representatives, successors and assigns, and, in addition, subject to the following: Declarant hereby reserves unto and for itself (including any successors and assigns hereafter constituting the Declarant) the following:

(a) The beds, in fee, of Perring Road, Demarest Court and Valles Court, as shown on the Plat, for future conveyance to Baltimore County, Maryland. An easement for the use and enjoyment of each of said streets, together with the water, sanitary sewer, and storm water drainage lines, mains, facilities, and installations constructed, installed, maintained or operated thereunder is hereby granted to the Association and the Record Owners, their respective heirs, personal representatives, successors, and assigns, until such time as said streets are deeded to Baltimore County; and

(b) The right (i) to discharge surface water on the Common Areas in accordance with the natural flow thereof, or under any drainage or storm water management plan approved by Baltimore County, Maryland, (ii) to construct, install, use, operate, inspect, maintain, repair and replace storm water management and sediment control facilities thereon or therein, (iii) to construct, install, use, operate, inspect, maintain, repair and replace on, over or under the Common Areas, pipes, mains, conduits, drains, lines and

other facilities for water, sanitary sewer, storm water drainage, gas, electric, telephone, television transmittal and other utilities to provide adequate utility and other services to any Lot or to any other property within Doncaster Village, and (iv) to enter upon said Common Areas for such purposes and for the purpose of making openings and excavations therein, provided the ground and any paved areas be restored and left in good condition.

2. Limitations on Use of Common Areas. The Common Areas to be conveyed to the Association under this Declaration shall be deemed common use areas, property, and facilities, for the use, benefit and enjoyment, in common, of each present and future Member of the Association, who, by necessity, is a Record Owner of a Lot. Said Common Areas shall be retained in their natural state and no structure or improvement of any kind shall be constructed, installed, maintained or operated thereon by the Association or the Members, except and provided as follows:

(a) Structures or improvements designed exclusively for community or recreational use, such as shelters, benches, chairs, and other seating facilities, fences and walls, walkways, roads, driveways, parking areas, landscaping, and electric wiring and standards to provide illumination, may be constructed, installed, maintained and operated in and on the Open Spaces for the use, comfort, and enjoyment of Members of the Association, for the establishment, retention, and preservation of the natural growth or topography of the area, or for aesthetic reasons;

(b) Walkways, roads, parking areas, landscaping, electric wiring and standards to provide illumination, and bus stop facilities, including shelters and seating facilities, may be constructed, installed, maintained and operated in and on the Parking Areas for the use, comfort and enjoyment of Members of the Association; and

(c) The Association may install, erect, and maintain or cause or permit to be installed, erected, and maintained on, over, and under the various Common Areas all facilities and utilities of the kind and nature which the Declarant reserves the right to construct, install, maintain and operate on, over and under such Common Areas pursuant to Article III(1)(b) hereof.

3. Prohibition of Nuisances. Neither the Association nor its Members shall carry on any noxious or offensive activity upon the aforesaid Common Areas, nor shall anything be done thereon which is or is likely to become an annoyance or nuisance to the neighborhood.

4. Maintenance and Improvement. The Association shall improve, develop, supervise, manage, operate, examine, inspect, care for, preserve, repair, replace, restore, and maintain the aforesaid Common Areas, as from time to time improved, together with any items of personal property placed or installed thereon, all at its own cost and expense, and shall levy against each Member of the Association by assessment, as provided in Article VI hereof, a proportionate share of the aggregate cost and expense required for the care, maintenance and improvement of said Common Areas. For the purposes of this Article III(4), the portion of each forty (40) foot wide right-of-way running through the Property which is not located within the twenty-four (24) foot wide driving lane which Baltimore County (or prior to the dedication of such right-of-way to Baltimore County, the Declarant) is responsible for

cleaning, maintaining, repairing and replacing shall be deemed a Common Area which the Association is responsible for cleaning, maintaining, repairing and replacing.

5. Enforceability. The right of each Member of the Association to use the aforesaid Common Areas shall be subject to the terms, conditions, and provisions set forth in this Declaration and, further, shall be subject to any rule or regulation now or hereafter adopted by the Association for the safety, care, maintenance, good order, and cleanliness of said Common Areas. All of said terms, conditions, provisions, rules, and regulations shall inure to the benefit of and be enforceable by the Association and Declarant, or either thereof, their respective successors and assigns, against any Member of the Association, or any other person, violating or attempting to violate the same, or any thereof, either by action at law for damages or suit in equity to enjoin a breach or violation, or enforce performance of any term, condition, provision, rule or regulation. Further, the Association and Declarant shall each have the right summarily to abate or remove any breach or violation by any Member at the cost and expense of such Member; provided that if such abatement or removal requires altering or demolishing any item of construction, judicial proceedings shall be instituted prior to executing any such alteration or demolition.

ARTICLE IV

RECORD OWNERS AND PROPERTY RIGHTS

1. Rights and Privileges of Record Owners. Declarant shall hold, and hereafter grant and convey the Lots subject to the covenants, conditions, and restrictions hereinafter set forth, which are hereby imposed upon said Lots for the benefit of Declarant, Association, and Record Owners, their respective heirs, personal representatives, successors, and assigns, to the end and intent that each Record Owner of a Lot shall have and hold his Lot subject to the following: Each Record Owner, in common with all other Record Owners, shall have the right and privilege to use and enjoy the Common Areas for the purposes for which designed. Such right and privilege, which shall be appurtenant to and pass with the title to the Lot of each Record Owner, shall include particularly, but not by way of limitation, use and enjoyment of all Common Areas provided for the use, benefit, and enjoyment of the Record Owners, subject, however, to the right of the Association to suspend the voting rights and rights to use of any recreational facilities by a Record Owner for any period in which any assessment against his Lot remains unpaid and, for a period not to exceed sixty (60) days, for any infraction of published rules and regulations of the Association.

2. Delegation of Rights. Any Record Owner may delegate, in accordance with rules and regulations as stated in the By-Laws of the Association, his right of enjoyment to the Common Areas, with any facilities thereon, to the members of his family, his tenants or contract purchasers who reside on the Property.

3. Compliance with Rules, Regulations and Restrictions. Each Record Owner shall fully and faithfully comply with the covenants, agreements, and restrictions imposed by this Declaration on the use and enjoyment of the Common Areas and with any additional rules, regulations, and restrictions duly

adopted by the Association for the safety, care, maintenance, good order, and cleanliness of said Common Areas.

4. Dedications and Transfers to Public Agencies. The aforesaid rights, privileges, and easements of the Record Owners are at all times subject to the right of the Association to dedicate or transfer all or any part of its interest in the Common Areas, or to grant any easements, right of way, license, permit, lease or similar interest in the Common Areas, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the Members; provided, however, no such dedication, transfer or grant shall be effective unless an instrument, signed by Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Association (the votes of each class being computed separately), agreeing to such dedication or transfer has been recorded among the Land Records of Baltimore County, Maryland.

5. Declarant's Reservation of Right to Amend Declaration. The Record Owner of each Lot on the Property shall take and hold legal title to said Lot SUBJECT to the reserved right, power and authority of Declarant to modify, revise, amend or change in any appropriate manner of public record, any of the terms or provisions of this Declaration without the consent of the Record Owners. This reserved right, power and authority vested in Declarant (a) may be exercised IF AND ONLY IF a Secondary Financing Agency shall require such action as a condition precedent to the approval by such agency of the Property, or of one or more Lots thereon, for mortgage financing purposes; (b) shall be subject to the provisions of Articles XIII(4) and (5) hereof; and (c) shall expire automatically, simultaneously and coincident with the issuance of the aforesaid approval by at least three of the four Secondary Financing Agencies or on December 31, 1993, whichever shall sooner occur.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

1. Membership. The Record Owner of each Lot shall be a Member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot.

2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Except for Declarant, who shall be a Class B Member, a Class A Member shall be a Record Owner holding title to one or more Lots laid out on the Property. Each Class A Member in good standing shall be entitled to one vote per Lot, for each Lot owned by him, in all proceedings in which action shall be taken by Members of the Association.

Class B. A Class B Member shall be the Declarant. Each Class B Member in good standing shall be entitled to three votes per Lot for each Lot owned by such Member, in all proceedings in which action shall be taken by Members of the Association.

If more than one person, firm, corporation, trustee or other legal entity, or any combination thereof, as a Class A Member, or Class B Member, hold the

record title to any Lot, all of same, as a unit, and not otherwise, shall be deemed a single Class A or Class B Member of the Association, as the case may be. The vote of any Class A Member or Class B Member comprised of two or more persons, firms, corporations, trustees or other legal entities, or any combination thereof, shall be cast in the manner provided for in the Articles of Incorporation of the Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one vote per Lot, if a Class A Member, or more than three votes per Lot, if a Class B Member, for each Lot owned by them.

3. Membership Conversion. The Class B membership in the Association shall cease and be converted to Class A membership in the Association on January 1, 1994, or at such earlier time as the total number of votes held by Class A Members equals or exceeds the total number of votes held by Class B Members.

ARTICLE VI

COVENANT FOR ASSESSMENTS

1. Authorization of Annual and Special Assessments. The Declarant, for each Lot owned by it within the Property, hereby covenants, and each Record Owner, by acceptance of the deed hereafter conveying any such Lot to him, whether or not so expressed in such deed, shall be deemed to have covenanted and agreed to pay to the Association: (a) annual assessments, and (b) special assessments. Such annual and special assessments shall be established and collected as hereinafter provided. Each such annual or special assessment, together with interest, costs and reasonable attorney's fees which may be imposed thereon, shall be enforceable by a lien upon each of the Lots against which such assessment is made. Each such assessment, together with any interest, costs and reasonable attorney's fees imposed thereon, shall also be the personal obligation of the Record Owner holding title to any Lot at the time when the assessment fell due or was first payable. The personal obligation for any delinquent assessment, however, shall not pass to the Record Owner's successor or successors in title unless expressly assumed by such successor or successors.

2. Association's Use of Assessments. Assessments levied by the Association shall be used exclusively for the following purposes: promotion of the recreation, health, safety and welfare of the residents in or on the Property; improvement, operation, care and maintenance of the Common Areas, including casualty, liability and other insurance deemed necessary therefor; and payment of all public charges and assessments applicable to the Common Areas, except to the extent that such public charges and assessments may be levied against any Lot laid out on the Property so that same is payable directly by the Record Owner thereof, as, or in the same manner as, real property taxes assessed or assessable against the Lot.

3. Annual Assessments. Annual assessments shall be fixed and limited as follows:

(a) For any annual assessment period ending prior to January 1, 1990, the maximum annual assessment which may be imposed without the approval of the Members of the Association pursuant to Article VI(3)(c) hereof shall be

(b) Each annual or special assessment may be collected on a lump sum basis, or on a monthly or quarterly installment basis, at the discretion of the Board of Directors, which shall establish the due date of each such payment. The annual assessment shall not begin to accrue until the

(11) Neither the Declarant, nor any lot to which it holds the record title, shall be exempt from the imposition of any annual or special assessment hereunder, but, notwithstanding anything elsewhere set forth herein: Each annual or special assessment made against any lot to which the Declarant holds record title shall equal twenty-five percent (25%) of the annual or special assessment made against each lot owned by a Record Owner other than Declarant, to the end and intent that the Declarant shall pay twenty-five percent (25%) of the per lot annual or special assessment established under Article VI(3) or (4) hereof.

(a) (1) Except otherwise provided in item (11) of this Article VI(5)(a), each annual or special assessment must be fixed at a uniform rate for all lots.

5. Collection of Assessments.

4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment for the purpose of defraying, in whole or in part, the cost (a) of any construction, reconstruction, repair or replacement of any capital improvement located on the Common Areas, including fixtures and personal property related thereto, or (b) of otherwise serving the purposes set forth in Article VI(2) hereof, provided that any such assessment shall first be approved by Members holding a majority of the votes appurtenant to each class of membership in the Association (each class voting separately). (For example, after Class B membership ceases to exist, the approval of the Record Owners of at least 11 of the 20 lots on the property will be required for the enactment of a special assessment.)

(c) The annual assessment may be increased above the maximum amount specified in Article VI(3)(a) or (b) hereof, as applicable, only with the approval of Members holding a majority of the votes appurtenant to each class of membership in the Association (each class voting separately). (For example, after Class B membership ceases to exist, the approval of the Record Owners of at least 11 of the 20 lots on the property will be required for the enactment of such an increase.)

(b) For any annual assessment period commencing on or after January 1, 1990, the maximum annual assessment per lot which may be imposed without the approval of the Members of the Association pursuant to Article VI(3)(c) hereof shall be increased each calendar year to one hundred ten percent (110%) of the maximum annual assessment per lot for the previous calendar year. The Board of Directors of the Association may fix the annual assessment against the Members at an amount less than or equal to the maximum.

Two Hundred Dollars (\$200.00) per lot. The Board of Directors of the Association may fix the annual assessment against the Members at an amount less than or equal to the maximum.

first day of the first annual assessment period, and the first monthly or quarterly installment, if any, shall be prorated to said date.

(c) If any annual or special assessment is payable in installments, then upon default in the payment of any such installment on its due date, and the continuation of such default for fifteen (15) days after written notice of such default from the Board of Directors to the defaulting Record Owner, the entire unpaid principal balance thereof may, at the option of the Board of Directors, be accelerated, so that said entire assessment shall forthwith be due and payable.

6. Annual Assessment Periods. The first annual assessment period shall commence on the earlier of (a) a date to be determined by the Board of Directors or (b) the date the Class B membership ceases to exist, and the first annual assessment period shall end on December 31 of the same calendar year in which it commences. Thereafter, each calendar year shall be an annual assessment period. On or about the thirtieth (30th) day prior to the commencement of each annual assessment period, the Board of Directors shall finally determine the annual assessment (subject to the consent of the Members if and to the extent required by Article VI(3) hereof); and on or about the fifteenth (15th) day prior to the commencement of the annual assessment period, the Board of Directors shall formally levy against each Record Owner his share thereof, by noting the assessment and levy on the books of the Association and submitting a written billing to each Record Owner for the sum due by him. The failure or delay of the Board of Directors to determine any annual assessment or notify the Record Owners of their respective shares thereof as and when provided above shall not in any manner constitute a waiver or release of any Record Owner's obligation to pay his share of the Annual Assessment whenever the requisite determination and notification thereof eventually occurs. In the absence of (a) an annual determination of the annual assessment or (b) notification thereof to the Record Owners, each Record Owner shall continue to pay the monthly or quarterly installments, if any, due by him during the last annual assessment period for which an annual assessment has been determined and notice thereof has been given, all subject to acceleration or modification by the Board of Directors.

7. Certification of Payment of Assessments. The Association shall, upon demand in writing for the benefit of a specific person named therein, and for a reasonable charge, furnish a certificate within ten (10) days signed by an officer of the Association setting forth whether or not the assessments and charges on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments and charges on a Lot is binding upon the Association as of the date of its issuance. Failure of the Association to furnish such certificate in timely fashion shall be deemed conclusive proof to the party requesting same and fully binding upon the Association that said assessments and charges are fully paid and current. This provision shall not affect the authority of the Association to enforce its rights against the then Record Owner for any assessments and charges due and unpaid, but shall remove the effect thereof as a lien on the specified Lot if title is transferred of public record within sixty (60) days following such written demand.

8. Late Payments. (a) Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date, computed at the

highest rate allowed by law, provided, however, that if no maximum rate is established by law, said interest shall be computed at eighteen percent (18%) per annum. The Association may bring an action at law against the Record Owner personally obligated to pay the same, or foreclose the lien against the Lot subject to the assessment, and in either event, the Association shall be entitled to receive interest computed as provided above, actual costs of collection and reasonable attorney's fees, as well as the amount of the unpaid assessment. No Record Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

(b) In foreclosing the lien against the Lot subject to the assessment, the following shall apply (except as otherwise required by law): If there be any default in the payment of any assessment, annual or special, and such default shall continue for a period of thirty (30) days, the Association shall have the immediate right to enforce collection of the assessment through foreclosure in the same manner, and subject to the same requirements, as the foreclosure of mortgages on real property in the State of Maryland containing a power of sale or an assent to a decree. By the acceptance of any title to, or ownership of a Lot, the Record Owner shall be deemed to have expressly: (i) authorized enforcement and foreclosure of the lien of the assessment by the Association, in the same manner, and subject to the same requirements, as the foreclosure of mortgages on real property in this State, containing a power of sale or an assent to a decree; (ii) assented to the passage of a decree for the sale of his Lot after the continuance of his default for more than thirty (30) days; and (iii) covenanted, agreed and declared that, after the continuance of his default in payment of the assessment for more than thirty (30) days, Michael Keelty, acting as agent of the Association or any substituted person designated as the agent of the Association for such purpose by the recordation by the Association of a Deed of Appointment among the Land Records of Baltimore County, shall have the absolute power, right and privilege to sell the Lot of the defaulting Record Owner in accordance with the Public General Laws of the State of Maryland and the Maryland Rules of Procedure relating to foreclosure of mortgages, as such Laws and Rules are from time to time amended and supplemented; provided, however, that no action may be brought to enforce the lien except after ten (10) days' written notice to the defaulting Record Owner, given by certified or registered mail, return receipt requested, at the address of the defaulting Record Owner shown on the roster or books of the Association. Upon any sale hereunder of a Lot of a defaulting Record Owner, the proceeds shall be applied as follows: first, to the payment of expenses incident to such sale, including a commission to the party making the sale; second, to the payment of all claims of the Association against the defaulting Record Owner or the Lot, whether the same shall have matured or not; and third, the surplus, if any, to said defaulting Record Owner, or to whomever may be entitled to the same. It is expressly understood that, at any such sale, the Association may be a purchaser of the Lot, free and clear of any right or equity of redemption of the defaulting Record Owner, such right and equity being deemed expressly waived and released. The Association shall have the right both to institute suit for collection of the unpaid assessment and to enforce the lien of such assessment against the Lot of the defaulting Record Owner, provided there be but one satisfaction of the claim.

(c) The foregoing enumeration of the rights of the Association is made in furtherance, and not in limitation, of the rights and remedies conferred by law upon the Association to collect the assessments, annual or special, or to enforce any lien against the Lot of a defaulting Record Owner, and is not intended, by mention of any particular right or remedy, to limit or restrict the Association, which shall have all powers and rights necessary or convenient for collection of the assessments due it.

9. Priority of Liens. The lien of the assessments and charges provided for herein shall be subordinate to general and special assessments for real estate taxes on the Lot and the lien of any Mortgage covering the Lot, duly recorded (a) prior to the recordation of a statement of lien covering one or more past due assessments against such Lot, or (b) after receipt by the Mortgagee of a written statement issued by the Association pursuant to Article VI(7) hereof acknowledging that payments of all annual and special assessments and charges against the Lot are current as of the date of recordation of the Mortgage. No sale or transfer of a Lot shall relieve the transferee Record Owner of such Lot (a) from liability for any assessments thereafter becoming due or (b) from the lien thereof.

ARTICLE VII

ARCHITECTURAL CONTROLS

1. General Architectural Restrictions. No Record Owner, except the Declarant, shall construct, reconstruct, install or reinstall any building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, exterior lighting or other structure of any kind on any Lot, or make any addition thereto (including any awning or screening) or any change or alteration therein (including any retreatment by painting or otherwise of any exterior part thereof) until plans and specifications, in duplicate, showing the nature, kind, shape, height, colors, materials, locations, and approximate cost of such building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting, other structure, addition, change or alteration shall have been submitted to and approved in writing by the Board of Directors, or an architectural control committee comprised of three (3) or more Members appointed by the Board, which shall have the absolute right to refuse to approve any such plans and specifications which it deems unsuitable or undesirable, whether based on aesthetic or other reasons. In so passing upon such plans and specifications, the Board of Directors or architectural control committee shall have the right to take into consideration the use and suitability of the proposed building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting, other structure, addition, change or alteration, the location thereof, the materials of which it is to be built or made, and the color and design thereof, all with relation to the site upon which it is proposed to erect or keep the same, the degree of harmony created with respect to its surroundings, and the effect on the outlook from adjacent or neighboring Lots and dwellings. If the Board of Directors or its designated architectural control committee fails to approve or disapprove any building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting or other structure, or any addition thereto, or change or alteration therein, within thirty (30) days after the plans and specifications therefor, in duplicate, have been submitted to it, approval will be conclusively presumed.

2. Rebuilding Following Casualty. Notwithstanding the provisions of Article VII(1) above:

(a) If any building, porch, deck, sign, tank, pool, game facility, driveway, walkway, exterior lighting, other structure, addition, change or alteration is damaged or destroyed by fire or other casualty, such damaged or destroyed improvement may be rebuilt without the approval of the Board of Directors or architectural control committee, as applicable, provided that such damaged or destroyed improvement is rebuilt substantially in accordance with the plans and specifications used in the original construction of such damaged or destroyed improvement.

(b) If any building, porch, deck, sign, tank, pool, game facility, driveway, walkway, exterior lighting, other structure, addition, change or alteration is damaged or destroyed by fire or other casualty, and such damaged or destroyed improvement is not rebuilt substantially in accordance with the plans and specifications used in the original construction of such damaged or destroyed improvement, the Record Owner thereof (unless such Record Owner is the Declarant) shall not rebuild the damaged or destroyed improvement until plans and specifications, in duplicate, showing the nature, kind, shape, height, colors, materials, locations and approximate cost of the replacement structure shall have been submitted to and approved in writing by the Board of Directors or architectural control committee, which shall have the right to refuse to approve any such plans and specifications only if it reasonably determines that such replacement structure is not in substantial conformity with the design or architectural treatment of the other dwellings within the Property.

(c) If any dispute between a Record Owner, on the one hand, and the Association, the Board of Directors, the architectural control committee or another Record Owner, on the other hand, arises with respect to the interpretation or application of this Article VII(2) at any time after the termination of the Class B membership in the Association, such dispute shall be submitted to binding arbitration in accordance with the Construction Industry Arbitration Rules (or successor rules) of the American Arbitration Association or any successor thereof. This agreement to arbitrate and any award resulting therefrom shall be specifically enforceable in the courts under the laws of Maryland.

ARTICLE VIII

RULES AND REGULATIONS

1. Land Use. Each Lot shall be used for residential purposes only; and no building shall be erected, altered or maintained on any Lot other than a single family townhouse type dwelling (including, but not limited to, duplexes and triplexes), not exceeding two and one-half stories in height, except as provided as follows, if permitted within the zoning laws applicable to the Property:

(a) The Declarant shall have the right to use any Lots, and any improvements thereon, it may own from time to time as sales, rental and management offices and model units and for such other uses as the Declarant

may deem appropriate for the development, marketing (including sales and rentals) and management of any dwellings now or hereafter located within Doncaster Village, and in furtherance thereof, the Declarant may, among other things, install one or more construction and/or sales trailers upon any such Lot. The Declarant shall also have the right to erect upon any Lot it may own from time to time, and upon the Common Areas, such advertising and directional signs and other materials as the Declarant shall deem appropriate for the development, marketing and management of any dwellings now or hereafter located within Doncaster Village.

(b) Any part of any dwelling now or hereafter erected on any Lot may be used as an office or studio of a lawyer, architect, engineer, artist, accountant, or other professional person, for the practice of such profession, provided that (i) the professional person using such office or studio actually resides in the dwelling in which such office or studio is located, (ii) such professional person is fully licensed to perform the professional services being rendered, (iii) such office or studio is operated in full compliance with all applicable zoning and other laws, (iv) the operation of such office or studio does not involve the employment of any professional associate or more than one (1) non-resident employee, and (v) such office or studio does not occupy more than twenty-five percent (25%) of the total floor area of such dwelling.

2. Setbacks. No building, tank, pool, game facility or other structure of any kind, or any part thereof, shall be located on any Lot closer to the front Lot line or closer to the side street Lot line than the recorded minimum building setback lines. For the purposes of the covenant contained in this Article VIII(2), eaves, steps, open porches, bay windows, chimneys and patios shall be considered as a part of a building or structure.

3. Lot Subdivision. No Lot shall be subdivided into two or more lots, except as provided in Article IX(1) of this Declaration.

4. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which is or is likely to become an annoyance or nuisance to the neighborhood.

5. Temporary Structures. No structure of a temporary character, trailer, basement, shack, garage, barn or other outbuilding permitted to be erected on any Lot shall at any time be used as a residence, either temporarily or permanently.

6. Parking. All parking spaces located within the Parking Areas shall be for the use of all Record Owners, in common. No boat, or trailer of any kind, including a house trailer and boat trailer, unless located entirely within the building permitted to be erected, and no commercial or inoperable vehicle of any kind, shall be parked or stored on any Lot or Common Area, except that the Declarant may park or store on any Common Area, or any Lots it may own from time to time such commercial vehicles as it deems appropriate for the development, marketing and management of any dwellings now or hereafter located in Doncaster Village. For the purposes hereof, an automobile shall be deemed inoperable unless it contains all parts and equipment, including properly inflated tires and current license plates, in such good condition and

repair as may be necessary for any person to drive the same on a public highway.

7. Signs. Except as otherwise expressly provided in Section 1(a) hereof, no sign of any kind shall be erected, displayed or maintained on any Lot, except one lawful sign, no more than five (5) square feet, advertising the Lot for sale or rent.

8. Animals, Livestock and Poultry. No animals, livestock or poultry of any kind, including pigeons, shall be raised, bred or kept on any Lot, except that up to two (2) household pets, including dogs, cats and birds, and an unlimited number of fish, may be kept, provided that no such household pet or fish shall be kept, bred or maintained for any commercial purpose.

9. Fences and Walls. No fence or wall shall be erected, placed, altered or maintained on any Lot nearer to any street than the minimum building setback line established on the Lot. Where two adjacent dwellings are set back different distances from the street, no fence or wall between such two adjacent dwellings shall be closer to the street than the front wall of the dwelling most distant from said street. No fence or wall shall be erected except in compliance with Article VII hereof, and, when erected, shall not interfere with underground or surface utility or drainage structures, pipes, or ditches. The restrictions contained in this Section 9 shall not apply to retaining walls required by topography, which retaining walls, however, shall require the written consent of the Board of Directors, or its designated architectural committee, as provided in Article VII hereof.

10. Antennas. No outside or exterior antenna of any kind (including, without limitation, any satellite dish) for use with radio or television shall be installed or maintained on any Lot or Common Area, or on any building or other structure located on any Lot or Common Area, whether or not being a part thereof and whether or not being detachable therefrom.

11. Swimming Pools. No swimming pool of any kind shall be constructed, installed or maintained on any Lot, either above or below ground.

12. Leases. Each Lot and the structure(s) thereon may be leased for such term and under such conditions as the Record Owner thereof may desire, except as otherwise provided in this Article VIII(12). No Lot or structure thereon may be leased for a period of less than thirty (30) days. Furthermore, (i) each such lease shall be subject to the Association Documents, (ii) any breach or violation of any Association Document by the tenant shall constitute a default under the lease, and (iii) the tenant (as well as the landlord) shall be directly liable to, and subject to enforcement action(s) by, the Association for any breach or violation by the tenant of any Association Document. Each such lease shall be in writing, and shall set forth, and provide for the tenant's acknowledgment of, each of the provisions of the preceding sentence. The Record Owner of any leased Lot or structure shall promptly deliver to the Board of Directors a copy of the form of lease used, and a copy of each amendment which is made thereto from time to time. The Association, through the Board of Directors, shall be entitled, but not obligated, to exercise the default remedies of any Record Owner, as the landlord under any such lease, and upon any breach or violation by the tenant

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of any Association Document, the Board of Directors, after notice to the Record Owner and tenant of such breach or violation, and the failure of such Record Owner and tenant to correct the same within a reasonable time thereafter, shall be entitled, but not obligated, to summarily evict the tenant from the leased premises, subject to any applicable laws governing the speedy recovery of possession of lands or tenements in redress of a breach or violation of a lease.

ARTICLE IX

DECLARANT'S RIGHTS TO DEVELOP THE PROPERTY FREELY

1. Resubdivision. Each Record Owner, by acceptance of a deed for his Lot, whether or not it shall be so expressed in such deed, shall be deemed to have covenanted and agreed (i) that Declarant shall have no obligation to build or install any improvement on any of the Common Areas or any other land within the Property; and (ii) that Declarant shall have the right to resubdivide the Property in accordance with Baltimore County, Maryland regulations, provided that if one or more Secondary Financing Agencies have theretofore approved the Property, or one or more Lots thereon, for mortgage financing under any program other than a spot loan program, each such Secondary Financing Agency which has theretofore granted such approval shall have determined that the resubdivision is in accordance with the general plan theretofore approved by it.

2. License of Name "Old Harford Pines II". The Declarant hereby grants to the Record Owners and the Association (collectively, the "Licensees") a non-exclusive license to use the term "Old Harford Pines II" solely to identify the homeowners association hereby established. The Licensees shall not sell, assign or sub-license the use of said term to any other party. The term "Old Harford Pines II" may be used or licensed or both, under any terms acceptable to the Declarant, by the Declarant at any time and for any purpose. The Licensees have no right against the Declarant to complain of any such use or license, regardless of the proximity or similarity of use of the term "Old Harford Pines II" or any version(s) or variation(s) thereof by the Declarant or its direct or indirect licensees.

3. Expansion of the Property. (a) The Declarant hereby expressly reserves the right (to be exercised on or before December 31, 1995) to expand and add to the Property by subjecting to the covenants, terms, and conditions of this Declaration, the Storm Water Management Parcel, which parcel may, at Declarant's sole discretion, be improved or unimproved at the time it is added to the Property. Any land and improvements added to the Property pursuant to this Article IX(3) (i) may consist of open spaces containing such vegetation, if any, as the Declarant, in its sole discretion, may deem appropriate, and (ii) may contain any improvements permitted under Article III(1)(b) hereof and/or Article III(2)(a) hereof which the Declarant, in its sole discretion, may deem appropriate. The improvements, if any, constructed upon the Storm Water Management Parcel by the Declarant shall be constructed in accordance with such drawings and specifications as the Declarant, in its sole discretion, may deem appropriate.

(b) Expansion of the Property shall be effected by the Declarant (without need for the approval of any Record Owner or Mortgagee) by recordation in the Land Records of Baltimore County of an amendment to the Declaration describing the property then being added. In such Declaration amendment, the Declarant may (i) identify, and define the boundaries of, each Common Area and/or other area included within the added property, and (ii) include such other provisions as are required or permitted by this Declaration.

(c) The Declarant is not required to add the Storm Water Management Parcel to the Property, or to convey the Storm Water Management Parcel to the Association. If the Declarant elects to convey the Storm Water Management Parcel (and any improvements thereon) to the Association, the Association shall accept such conveyance, subject to the following provisions:

(i) The property interest so conveyed may be a fee simple interest, easement, or such other property interest as the Declarant, in its sole discretion, may elect to convey. Upon such conveyance, the land and improvements so conveyed shall constitute Common Areas.

(ii) Neither the Association nor its Members shall be required to pay any consideration for such conveyance, but the Association will be responsible for the operation, maintenance, repair and replacement of the Common Areas so conveyed (as more fully described in Article III(4) hereof), and for the payment of all real property taxes levied against the Association's interest in such Common Areas, and the expenses of such operation, maintenance, repair, replacement and taxes shall be assessed against the Members pursuant to Article VI hereof.

(iii) The Common Areas so conveyed shall be conveyed subject to (A) the covenants, conditions and restrictions of this Declaration, including, without limitation, the covenants, conditions and restrictions set forth in Articles III and IV hereof; and (B) any additional rights, rights-of-way, covenants, conditions, restrictions, setbacks and easements deemed necessary or advisable in the opinion of the Declarant to facilitate the development, construction, operation and maintenance of the Property and/or any other portion of Doncaster Village, or the conveyance or services of the Association; and, in particular, but not in limitation of the foregoing, the Declarant shall have the right to reserve, at or prior to the time such parcel is added to the Property, such access, parking, water, sanitary sewer, storm water drainage and other easements and rights-of-way on, over, under and across such parcel as are deemed appropriate by the Declarant. Each such right, right-of-way, covenant, condition, restriction, setback and easement shall run with and bind the Property, the Association, and the owners and occupants of all Lots contained within the Property, and their respective heirs, personal representatives, successors and assigns, forever, unless the recorded document establishing such right, right-of-way, covenant, condition, restriction, setback or easement specifically provides otherwise.

(iv) The improvements within and upon the Storm Water Management Parcel shall be, at the time of such conveyance, in compliance with all applicable Baltimore County laws.

ARTICLE X

INSURANCE

1. Types. The Association shall at all times keep all buildings and improvements now or hereafter owned or leased by, or otherwise available for the use of, the Association and situated on or within the Common Areas, to the extent insurable, insured against loss or damage by fire, flood, and other hazards, to the extent required by the By-Laws. The Association shall also maintain liability insurance.

2. Carriers and Amounts. All insurance required by this Article X shall be with such carriers and in such amounts as may be specified in the By-laws of the Association or determined by the Board of Directors pursuant to the By-Laws.

ARTICLE XI

CONDEMNATION, DESTRUCTION OR DISSOLUTION

1. Condemnation. The Association, immediately upon obtaining knowledge of the threat of the institution or the institution of any proceeding for the condemnation of the Common Areas or any portion thereof, shall notify all Members of the pendency thereof. Each Member hereby assigns, transfers and sets over unto the Association all compensation, rights of action, the entire proceeds of any award and any claim for damages for any of the Common Areas taken or damaged under the power of eminent domain or by condemnation or by sale in lieu thereof. The Association may, at its option, commence, appear in, and prosecute, in its own name, any action or proceeding with respect to the Common Areas, or make any compromise or settlement in connection with such condemnation, taking under the power of eminent domain or sale in lieu thereof. After deducting therefrom all of its expenses, including attorneys' fees, arising in connection with the negotiation, litigation and consummation of such condemnation or taking or sale in lieu thereof, the Association may elect to apply the proceeds of the award to the restoration or rebuilding of such Common Areas. Any net proceeds not so applied shall be retained by, and used for any proper purpose of, the Association.

2. Destruction. (a) In case of loss or damage to the Common Areas or improvements thereon by fire or other casualty, the Association may settle and adjust any claim under insurance policies which insure against such risks and to deduct therefrom costs and expenses of collection (including attorney's fees), and collect and receipt for any such insurance money. Any and all insurance proceeds received by the Association by reason of any damage or destruction of the Common Areas or improvements thereon shall be used for the cost of the rebuilding or restoration of the Common Areas and such improvements, except that if any excess of such proceeds over the cost of such rebuilding or restoration remains, the Association shall notify all Members, who shall vote regarding the use or application of the excess proceeds. If the Members fail to vote regarding such use or application, the excess proceeds shall be retained by, and used for any proper purpose of, the Association.

(b) If the net insurance proceeds, at the time available for the purpose, shall be insufficient to pay the entire cost of restoration, the Association shall notify all Members, who then shall vote regarding whether to authorize a special assessment for the purpose of making up the deficiency, prior to commencement of the restoration. If the Members fail to authorize such a special assessment, then the Association shall not be obligated to commence restoration.

(c) The term "net insurance proceeds" shall mean insurance money paid to the Association on account of damage or destruction of or to any part of the Common Areas or improvements thereon under the policies of insurance provided for herein, less the costs incurred in connection with the adjustment of the loss and collection thereof, including attorney's fees.

3. Dissolution. Upon any dissolution of the Association, after discharge of all corporate liabilities, the Board of Directors shall dispose of the assets of the Association by dedication thereof to any appropriate public agency to be used for purposes similar to those for which the Association was formed. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned, if practicable, to any nonprofit corporation, association, trust or other organization as shall at the time qualify as an organization or organizations exempt from taxation under Section 501(c) or 528 of the Internal Revenue Code of 1986, as amended from time to time, or the corresponding provision of any future United States revenue laws, as the Board of Directors may determine, preferably to a semi-public agency, to be used in furthering, facilitating or effectuating purposes similar to those for which the Association was formed.

ARTICLE XII

MAINTENANCE OF THE PROPERTY

1. Landscaping. All areas of each Lot, except those areas used for buildings, sidewalks and paved parking, shall be planted by the Record Owner or its agent(s) with vegetated cover and/or landscaped as soon as possible after final grading and maintained in such condition. All portions of the Common Areas, except those areas used for buildings, sidewalks and paved parking, shall be planted by the Association and its successors and assigns with vegetated cover and/or landscaped as soon as possible after final grading and maintained in such condition.

2. Dirt and Debris Removal. Dirt and debris accumulating on private roads and parking lots on any Lot shall be removed by the Record Owner or its agent(s), and dirt and debris accumulating on private roads and parking lots on the Common Areas shall be removed by the Association and its successors and assigns, all according to the following schedule: May through October, concurrent with grass mowing; November through April, monthly.

3. Snow Removal. Snow removal shall be by mechanical means except in severe snow and ice conditions, when deicing compounds may be used.

4. Fertilizers. Application of fertilizers, herbicides and pesticides shall not exceed recommendations of the University of Maryland Cooperative Extension Service.

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5. Filling. Filling shall not occur in grassed or lined drainage ditches or swales.

ARTICLE XIII

GENERAL PROVISIONS

1. Enforcement. The Association, or any Record Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Record Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in nowise affect any other provisions of this Declaration, which shall remain in full force and effect.

3. Term, Amendment, Termination. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive terms of ten (10) years each, unless terminated prior to the end of any such term, effective as of the end of such term, by an instrument signed by Members holding at least seventy-five percent (75%) of the votes appurtenant to each class of membership in the Association (the votes of each class being computed separately). However, this Declaration may be amended at any time within twenty (20) years from the date of recordation hereof by an instrument signed by Members holding at least ninety percent (90%) of the votes appurtenant to each class of membership in the Association (the votes of each class being computed separately), and thereafter by an instrument signed by Members holding at least seventy-five (75%) of the votes appurtenant to each class of membership in the Association (the votes of each class being computed separately). Any such instrument shall be recorded among the Land Records of Baltimore County. However, this Declaration may not be amended so as to modify, impair or revoke any right or privilege reserved for the benefit of the Declarant, or so as to impose on the Declarant any obligation which is not also imposed on all Record Owners, without the prior written consent of the Declarant, and no such amendment shall take effect until an appropriate written instrument executed by the Declarant is recorded among the Land Records of Baltimore County.

4. Veto by FHA or VA. As long as there are Class B Members, the following actions may be vetoed by the FHA or the VA, if such agency has previously approved the Property, or one or more Lots thereon, for mortgage financing purposes: annexation of additional properties, mergers and consolidations; mortgaging of Common Areas; dissolution; and amendment or termination of this Declaration.

5. Approval by Eligible Holders. (a) Any amendment to this Declaration, to the Articles of Incorporation or By-laws of the Association, or to the Plat, involving any "Material Change", as said term is defined below, shall require the affirmative vote of a majority of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the

number of Lots upon which it holds First Mortgages. The term "Material Change" shall include a change to any of the following:

- (i) voting rights;
- (ii) assessments, assessment liens, or priority of assessment liens;
- (iii) reserves for maintenance, repair, and replacement of Common Areas;
- (iv) responsibility for maintenance and repairs;
- (v) reallocation of interests in the Common Areas, or rights to their use;
- (vi) definitions of Lot boundaries;
- (vii) convertibility of Lots into Common Areas or vice versa;
- (viii) expansion or contraction of the Property, or the addition, annexation or withdrawal of property to or from the Property;
- (ix) insurance or fidelity bond requirements;
- (x) leasing of Lots and the improvements thereon;
- (xi) imposition of any restrictions on a Record Owner's right to sell or transfer his or her Lot and the improvements thereon;
- (xii) a decision by the Association to establish self management when professional management had been required previously by the Association Documents or an Eligible Holder;
- (xiii) restoration or repair of the Property (after damage or partial condemnation) in a manner other than that specified in the Association Documents;
- (xiv) any action to terminate this Declaration, or to dissolve the Association, after substantial destruction or condemnation of the Property occurs; and
- (xv) any provisions that expressly benefit mortgage holders, insurers or guarantors.

A "Material Change" shall also include any other change judged to be material by any Eligible Holder; provided that if a proposed amendment does not involve any change described in items (i) through (xv) above, each Eligible Holder who fails to submit to the Association a written response to the proposed amendment within thirty (30) days after the Eligible Holder is given written notice (by certified or registered mail, return receipt requested) of the proposed amendment shall be deemed to have judged all changes resulting from

the proposed amendment to be immaterial, and to have cast an affirmative vote with respect to the proposed amendment.

(b) This Declaration may not be terminated, and the Association may not be dissolved, for reasons other than substantial destruction or condemnation of the Property, without the affirmative vote of at least two-thirds (2/3) of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the number of Lots upon which it holds First Mortgages.

6. Approval by Baltimore County. Article XII hereof shall not be amended without the written approval of Baltimore County.

IN WITNESS WHEREOF, Declarant has hereunto set its hand and seal on the day and year first above written.

ATTEST: JAMES KEELTY & CO., INC.

, Secretary

By: _____ (SEAL)
Vice President

STATE OF MARYLAND)
) to wit:
COUNTY OF BALTIMORE)

I HEREBY CERTIFY that on this day of , 19 , before me, the subscriber, a Notary Public of the State of Maryland, personally appeared , who acknowledged himself to be the President of James Keelty & Co., Inc., and that he, as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing in my presence the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission expires:

EXHIBIT II-A

OPEN SPACE DECLARATION

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Declaration, made this 3rd day of March, 1988, by JAMES KEELTY & CO., INC. (declarant), a corporation organized and existing under the laws of the State of Maryland.

DECLAR 17.0
SM CLERK 17.6
#44515 C001 R02 T14 03/08

WITNESSETH:

WHEREAS, declarant is the owner of the hereinafter described property situate in the Ninth Election District of Baltimore County, Maryland, and, as such owner, desires to impose on the hereinafter designated open space tracts, the protective covenants, conditions and restrictions hereinafter set forth.

NOW, THEREFORE, declarant hereby declares that the said open space tracts shall be held, sold and conveyed subject to the following covenants, conditions and restrictions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the property and for the common benefit of declarant, owner and the residents. These covenants, conditions and restrictions shall run with the open space tracts and shall be binding on all parties having or acquiring any right, title or interest therein, or in any part thereof, and shall inure to the benefit of declarant, owner and the residents. However, James Keelty & Co., Inc. shall have no personal liability or responsibility for the performance of any covenant required to be performed hereunder after any grant, conveyance, transfer or other disposition of all of its right, title and interest in an to the property, but the liability and responsibility for performance of each covenant contained in this Declaration shall at all times rest only with the owner of the property, determined as of the time any performance is required hereunder.

INDIVIDUAL TRANSFER TAX NOT APPLICABLE 3/4/88

ARTICLE I

Definitions

As used in this Declaration, the following terms shall have the meanings herein ascribed thereto. The terms herein defined are;

(a) Plat. Plat means and refers to the plat entitled "Section Seven, Doncaster Village" and recorded among the Land Records of Baltimore County, Maryland, in Plat Book S.M., No. 58 Folio 25.

(b) Property. Property means and includes the entire parcel or tract of ground, containing 5.15 acres of land, more or less, shown on the plat.

(c) Open Space Tract. Open space tract means and includes each of those three parcels, containing approximately 0.213 acres, 0.441 acres and 0.294 acres, respectively, which are designated as "HOA Local Open Space" on the aforesaid plat, but excludes that parcel, containing approximately 0.328 acres, which is designated as "Local Open Space" on the aforesaid plat.

RECEIVED FOR TRANSFER State Department of Assessments & Taxation for Baltimore County 3/4/88

TRANSFER TAX NOT REQUIRED Director of Finance BALTIMORE COUNTY, MARYLAND For Patricia Kelly Authorized Signature Date 3-4-88

(d) Improvements. Improvements mean and include all structures of every kind, located on the open space tracts for the common use and enjoyment of the declarant, owner and the residents.

(e) Owner. Owner means and refers to the then record owner of each open space tract, whether comprised of one or more entities or persons associated in said ownership, except as follows: the grantee named in any mortgage, deed of trust or other conveyance in the nature of a mortgage, the beneficiary, creditor or other party secured under any deed of trust and the heirs, personal representatives successors and assigns of such grantee, beneficiary, creditor or other person, having any interest in such open space tract as security for the payment of money or the performance of an obligation is not included or encompassed by the term "owner".

(f) Declarant. Declarant means and refers to James Keelty & Co., Inc., its successors and assigns, to the extent any successor or assign acquires any open space tract or any part thereof.

(g) Residents. Residents mean and refer to the resident occupants of any residential structure erected on the property.

ARTICLE II

USE RESTRICTIONS

No part of any open space tract shall be used except for recreational, park, beautification, or amenity purposes, drainage and sediment control facilities, as required by Baltimore County, and underground public utility lines.

No noxious or offensive activity shall be carried on upon any open space tract, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

No sign of any kind shall be displayed to the public view on any open space tract, except one lawful sign, no more than five square feet in area, advertising the property for sale or rent, or signs used by declarant or a builder to advertise the property during the construction and sales period.

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any open space tract, except the dogs, cats or other household pets may be kept, if permitted under any lease or agreement between the owner and any of the residents, provided that they are not kept, bred, or maintained for a commercial purpose.

No part of any open space tract shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste, which shall not be kept in any open space tract, except in sanitary containers. All incinerators or other equipment on each open space tract, for the storage or disposal of any of the foregoing material, shall be kept in a clean and sanitary condition. All trash shall be collected in a manner approved by Baltimore County.

No private sewage disposal system shall be permitted on any open space tract, except a system connected to the Metropolitan Sanitary System.

No private water supply system shall be permitted on any open space tract, except a system connected to the Metropolitan Water Supply.

Nothing in this article shall be construed to prohibit traversing any open space tract with underground pipes or lines furnishing water, sewer, storm drainage, gas, electric, telephone, or cable television service to the property or the area in which same is located, and such lines or pipes may be installed in each open space tract.

ARTICLE III

BUILDING RESTRICTIONS

No structure of any kind or nature, except improvements normally used in connection with recreational, park, beautification or amenity purposes, or water, sewer, gas, electric, telephone, cable television drainage or sediment control facilities, shall be built on any open space tract.

ARTICLE IV

MAINTENANCE

The owner of each open space tract or its agent(s) shall supervise, manage, operate, examine, inspect, care for, preserve, replace, restore and maintain the open space tract and the improvements situated thereon in accordance with reasonable park and open space maintenance standards.

The owner of each open space tract shall assume responsibility for the continuing preservation and care of the open space tract and improvements thereon, including but not limited to, the removal of trash, debris and fallen trees, stumps and high grass which could reasonably be expected to contribute to accident, injury, or generally unsafe or unsanitary conditions.

ARTICLE V

GENERAL PROVISIONS

Section 1. Failure to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

Section 3. The covenants and restrictions of this Declaration shall run with and bind each open space tract in perpetuity, unless development or redevelopment thereof is permitted in accordance with applicable laws, ordinances, codes, zoning and policies of the State of Maryland and Baltimore County and such development or redevelopment is permitted to take place without the covenants, conditions, and restrictions stated herein.

7807 219

Section 4. This Declaration may be amended by an effective instrument executed by the declarant, its successors or assigns, so long as such amendments are approved by Baltimore County, Maryland. No consent, approval or agreement of any resident shall be required at any time for the termination, amendment, modification or extinguishment of this Declaration, it being the intent hereof that any right privilege or benefit of any resident shall be dependent upon and derived from the rights reserved to the declarant.

WITNESS, the hand and seal of the declarant, the day and year first above written.

ATTEST:

JAMES KEELTY & CO., INC.

By: Ann D. Filbey

By: James Keelty, III President

STATE OF MARYLAND, BALTIMORE COUNTY, TO WIT:

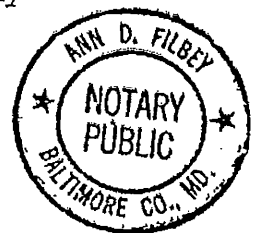
I HEREBY CERTIFY that on this 3rd day of March, 19 88, before me, the subscriber, a Notary Public of the State of Maryland, in an for the County aforesaid personally appeared, James Keelty, III President of JAMES KEELTY & CO., INC., a body corporate; and acknowledged the foregoing Declaration of Covenants, Conditions and Restrictions to be the act and deed of said Corporation.

AS WITNESS my hand and Notarial Seal.

Ann D. Filbey
Notary Public Ann D. Filbey

My commission expires:

7/1/90



W. O. Jensen 3/3/88
ASSISTANT COUNTY SOLICITOR

MAIL TO:
JAMES KEELTY & CO., INC.
61 EAST PADONIA ROAD
POST OFFICE BOX 528
TIMONIUM, MARYLAND 21093

EXHIBIT II-B

ARCHITECTURAL DECLARATION

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

THIS DECLARATION is made this _____ day of _____, 19____, by James Keelty & Co., Inc., a Maryland Corporation, hereinafter called "Declarant".

R E C I T A L S

Declarant owns in fee simple the hereinafter described Subject Property, situated in the Ninth Election District of Baltimore County, Maryland, and intends to develop a residential community on part or all of the Subject Property. Declarant desires to subject the Subject Property to the covenants, conditions and restrictions hereinafter set forth in order to protect and enhance the value, desirability and attractiveness of the Subject Property.

NOW, THEREFORE, THIS DECLARATION WITNESSETH, Declarant hereby subjects the Subject Property to the covenants, conditions and restrictions hereinafter set forth, all of which shall run with the Subject Property and shall be binding on all parties having or acquiring any right, title or interest therein, or in any part thereof, and shall inure to the benefit of Declarant, its successors and assigns, the Owner and the Residents. However, James Keelty & Co., Inc. shall have no personal liability or responsibility for the performance of any covenant required to be performed hereunder after any grant, conveyance, transfer or other disposition of all of its right, title and interest in and to the Subject Property, but the liability and responsibility for performance of each covenant contained in this Declaration shall at all times rest only with the Owner of the Subject Property, determined as of the time any performance is required hereunder.

ARTICLE I

DEFINITIONS

As used in this Declaration, the following terms shall have the meanings herein ascribed thereto.

1. "Plat" means and includes the plat entitled "Section Seven, Doncaster Village", dated July 29, 1987, and recorded among the Land Records of Baltimore County in Plat Book S.M. No. 58, folio 25.
2. "Subject Property" means and includes all that tract of land, containing 5.15 acres, more or less, shown on the Plat, excluding (1) that area designated on the Plat as "Local Open Space" and containing 0.328 acres, more or less, and (2) that area designated on the Plat as "Storm Water Management Reservation" and containing 0.677 acres, more or less.
3. "Owner" means and includes the then record owner of the Subject Property, whether comprised of one or more entities or persons associated in said ownership, except as follows: the grantee named in any mortgage, deed of trust or other conveyance in the nature of a mortgage, the beneficiary,

creditor or other party secured under any deed of trust and the heirs, personal representatives, successors and assigns of such grantee, beneficiary, creditor or other person, having any interest in the Subject Property as security for the payment of money or the performance of an obligation is not included or encompassed by the term "Owner".

4. "Resident" means and includes each resident occupant of any residential structure erected on the Subject Property.

ARTICLE II

ARCHITECTURAL CONTROLS PERTAINING TO THE SUBJECT PROPERTY

1. No Owner, except the Declarant, shall construct or install any building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, exterior lighting, or other structure of any kind upon the Subject Property, or make any addition thereto (including any awning or screening) or change or alteration therein (including any retreatment by painting or otherwise of any exterior part thereof) until plans and specifications, in duplicate, showing the nature, kind, shape, height, colors, materials, locations and approximate cost of such building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting, other structure, addition, change or alteration, shall have been submitted to and approved in writing by Declarant or the successor or authorized agent of Declarant (said Declarant and its successors and authorized agents are hereinafter sometimes referred to individually and collectively as the "Monitor"), who shall have the absolute right to refuse to approve any such plans or specifications which it deems unsuitable or undesirable, whether based on aesthetic or other reasons. In so passing upon such plans or specifications, the Monitor shall have the right to take into consideration the use and suitability of the proposed building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting, other structure, addition, change or alteration, the location thereof, the materials of which it is to be built or made, and the color and design thereof, all with relation to the site upon which it is proposed to erect or keep the same, the degree of harmony created with respect to its surroundings and the effect on the outlook from adjacent or neighboring properties and dwellings. If the Monitor fails to approve or disapprove any building, porch, deck, fence, wall, sign, tank, pool, game facility, driveway, walkway, lighting or other structure, or any addition thereto, or change or alteration therein, within thirty (30) days after the plans and specifications therefor, in duplicate, have been submitted to it, approval will be conclusively presumed.

2. In no event shall any exterior radio or television antenna (including, without limitation, any satellite dish) be placed anywhere upon the Subject Property or upon any improvement now or hereafter located upon the Subject Property.

ARTICLE III

GENERAL PROVISIONS

1. Declarant, its successors or assigns, the Owners and the Residents shall have the right to enforce, by any proceeding at law or in

equity, all covenants, conditions and restrictions now or hereafter imposed by this Declaration. The failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

2. Invalidation of any part of these covenants, conditions and restrictions by judgment or court order shall not affect any other provisions of this Declaration, which shall remain in full force and effect.

3. This Declaration shall run with and bind the Subject Property until January 1, 1996.

4. This Declaration may be amended only by an instrument (a) executed by the Declarant or its successor, and by all Owners of the Subject Property, and (b) recorded among the Land Records of Baltimore County.

IN WITNESS WHEREOF, Declarant has hereunto set its hand and seal on the day and year first above written.

ATTEST:

JAMES KEELTY & CO., INC.

Secretary

By: _____ (SEAL)
President

STATE OF MARYLAND:)
) to wit:
OF BALTIMORE:)

I HEREBY CERTIFY that on this _____ day of _____, 19____, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared _____, who acknowledged himself to be the President of James Keelty & Co., Inc., and that he, as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing in my presence the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission expires:

EXHIBIT III

ARTICLES OF INCORPORATION

Old Harford Pines II Homeowners Association, Inc.

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ARTICLES OF INCORPORATION

THIS IS TO CERTIFY:

ARTICLE I: NAME AND ADDRESS OF INCORPORATOR

The undersigned, Richard A. Ransom, whose post office address is Weinberg and Green, 100 South Charles Street, Baltimore, Maryland 21201, being at least eighteen (18) years of age, is hereby forming a corporation under and by virtue of the general laws of the State of Maryland.

ARTICLE II: NAME OF CORPORATION

The name of the corporation, hereinafter called the "Corporation", is:

Old Harford Pines II Homeowners Association, Inc.

ARTICLE III: PURPOSES AND POWERS OF CORPORATION

The purposes for which the Corporation is formed are as follows: To organize and operate a real estate management association exclusively to provide for the acquisition, improvement, management, maintenance, care and preservation of the Common Areas, and to promote the recreation, health, safety and welfare of the residents of the Lots, upon the "Property" (as hereinafter defined), and upon any addition thereto as may hereafter be brought within the jurisdiction of this Corporation, no part of the net earnings of which is to inure to the benefit of, or be distributable to, any director, officer or member of the Corporation, or any other individual, so that no pecuniary gain or profit to the members thereof is contemplated, and for such general purposes, and limited to those purposes, the Corporation shall have the following powers:

(a) To acquire, own, hold, preserve, develop, improve, build upon, manage, operate, and maintain open space tracts or areas and common or recreational areas, property, facilities and real estate, whether fee simple or leasehold, and whether improved or unimproved, all designed for the common use, benefit, enjoyment, recreation, health, safety and welfare of the Record Owner of each Lot now or hereafter laid out or established within the "Property", as said term is defined within the Declaration of Covenants, Conditions and Restrictions made by James Keelty & Co., Inc., dated _____, 19__ and recorded among the Land Records of Baltimore County, Maryland, in Liber ____ No. ____, folio ____, as same may hereafter from time to time be amended (the "Declaration"). Each capitalized term used herein and defined in the Declaration shall have the meaning ascribed to such term by the Declaration.

(b) To exercise all the powers, rights and privileges, and to perform all the duties and obligations, of the Corporation, as the same are set forth in the Declaration.

(c) To establish, fix, make, impose, levy, collect and enforce payment of, by any lawful means, all charges or assessments made or established pursuant to the terms of the Declaration, and, from time to time,

increase or decrease the same, as the need therefor may require, to provide operating and reserve funds for, and pay all costs and expenses incurred in connection with: the preservation, development, improvement, operation, maintenance and care of the Common Areas, property and facilities held by the Corporation, and any convenience deemed desirable to or for the use and enjoyment thereof; and for any other corporate purposes, including particularly, but not by way of limitation, all office and other expenses incident to the business of the Corporation; premiums for casualty, liability and other insurance, all license and franchise fees or charges, and all taxes and assessments charged, levied or imposed on the property of the Corporation.

(d) To purchase, lease, option, or otherwise acquire, own, hold, preserve, develop, improve, build upon, manage, operate, maintain, convey, sell, exchange, rent, lease, dedicate for public use, or in any manner transfer or dispose of any real or personal property in connection with the affairs of the Corporation.

(e) To borrow or to raise money for any of the purposes of the Corporation, and to issue bonds, debentures, notes, or other obligations of any nature, and in any manner permitted by law, for money so borrowed or in payment for property purchased, or for any other lawful consideration, and, upon authorization by Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Corporation (each class voting separately), to secure the payment of the money borrowed and of the interest thereon, by mortgage upon, or pledge or conveyance or assignment in trust of, the whole or any part of the property of the Corporation.

(f) To participate in mergers and consolidations with other nonprofit organizations, organized for the same purpose, provided that any such merger or consolidation shall have the assent of Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Corporation (each class voting separately).

(g) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Stock Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

ARTICLE IV: PRINCIPAL OFFICE AND RESIDENT AGENT

The address of the principal office of the Corporation in this State is 61 East Padonia Road, P. O. Box 528, Timonium, Maryland 21093-0528. The name and post office address of the resident agent of the Corporation in this State is Richard A. Ransom, Weinberg and Green, 100 South Charles Street, Baltimore, Maryland 21201. Said resident agent is a citizen of the State of Maryland and actually resides therein.

ARTICLE V: MEMBERSHIP AND VOTING RIGHTS

(a) The Corporation is not authorized to issue any capital stock. The membership of the Corporation shall consist of the Record Owners of all Lots now or hereafter laid out or established on the Property. Each Member shall be designated either a Class A Member or a Class B Member. A description of each class of membership, with the voting rights and powers of each class, is as follows:

(i) Class A Member: Except for Declarant, who shall be a Class B Member, a Class A Member shall be a Record Owner of one or more Lots laid out on the Property. Each Class A Member in good standing shall be entitled to one vote per Lot, for each Lot owned by such Class A Member, in all proceedings in which action shall be taken by the Members of the Corporation.

(ii) Class B Member: The Class B Member shall be the Declarant. The Class B Member shall be entitled to three votes per Lot, for each Lot owned by such Member, in all proceedings in which action shall be taken by the Members of the Corporation.

(iii) Conversion: The Class B Members shall be converted to Class A Members on January 1, 1994, or at such earlier time as the total number of votes held by Class A Members equals or exceeds the total number of votes held by Class B Members.

(b) Membership in the Corporation shall be appurtenant to and may not be separated from the ownership of any Lot. Conversely, the Record Owner of each Lot shall be a Member of the Corporation.

(c) At any annual or special meeting of the Members, the presence, in person or by proxy, of Members holding at least twenty-five percent (25%) of the votes appurtenant to each class of membership in the Corporation (the votes of each class being computed separately) shall constitute a quorum for any action, unless a greater number or percentage of votes is required by another provision of these Articles of Incorporation, by the Declaration or By-laws, or by statute. If, however, such quorum shall not be present at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present.

(d) A majority of the votes cast (the votes cast by all classes of Members being combined) at a meeting of Members duly called and at which a quorum is present shall be sufficient to approve any matter which may properly come before the meeting, unless (1) a greater number or percentage of votes, and/or (2) the separate computation of the votes of each class, is required by another provision of these Articles of Incorporation, by the Declaration or By-laws, or by statute.

ARTICLE VI: BOARD OF DIRECTORS

The number of directors of the Corporation shall be three (3), which number may be increased or decreased pursuant to the By-Laws of the Corporation, but shall never be less than three (3); and the names of the directors who shall act until the first annual meeting or until their respective successors are duly chosen and qualify are Catherine T. Heuer, Frank R. Hodgetts and Michael J. Keelty.

ARTICLE VII: DURATION AND DISSOLUTION OF CORPORATION

(a) The duration of the Corporation shall be perpetual. Subject to subparagraph (b) of this Article VII and to Article IX hereof,

however, the Corporation may be dissolved under and in accordance with the laws of the State of Maryland, provided such dissolution first be authorized, in writing, signed by Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Corporation (the votes of each class being computed separately).

(b) The Corporation may not be dissolved after substantial destruction or condemnation of the Property without the affirmative vote of a majority of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the number of Lots upon which it holds First Mortgages. The Corporation may not be dissolved for reasons other than substantial destruction or condemnation of the Property, without the affirmative vote of two-thirds (2/3) of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the number of Lots upon which it holds First Mortgages.

(c) Upon any dissolution of the Corporation, after discharge of all corporate liabilities, the Board of Directors shall dispose of the assets of the Corporation by dedication thereof to any appropriate public agency to be used for purposes similar to those for which the Corporation was formed. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned, if practicable, to any nonprofit corporation, association, trust or other organization as shall at the time qualify as an organization or organizations exempt from taxation under Section 501(c) or 528 of the Internal Revenue Code of 1986, as then amended from time to time, or the corresponding provision of any future United States revenue laws, as the Board of Directors may determine, preferably to a semi-public agency, to be used in furthering, facilitating or effectuating purposes similar to those for which the Corporation was formed.

ARTICLE VIII: AMENDMENTS

Amendment of these Articles shall require the assent of Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Corporation (each class voting separately). In addition, any amendment to these Articles involving a Material Change shall require the affirmative vote of a majority of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the number of Lots upon which it holds First Mortgages.

ARTICLE IX: VETO BY FHA OR VA

As long as there are Class B Members, the following actions may be vetoed by the FHA or the VA, if such agency has previously approved the Property or one or more Lots thereon for mortgage financing purposes: annexation of additional properties; mergers and consolidations; mortgaging of the Corporation's interest in any Common Area; dissolution; and amendment of these Articles.

ARTICLE X: DIRECTOR AND OFFICER LIABILITY

To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers, no director or

officer of the Corporation shall be liable to the Corporation or its Members for money damages. Neither the amendment nor repeal of this Article X, nor the adoption or amendment of any other provision of these Articles, the Declaration or the By-laws inconsistent with this Article X, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation and acknowledged the same to be my act on this ____ day of _____, 19__.

WITNESS:

Richard A. Ransom

170:06/10/88

AEU87

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EXHIBIT IV

BY-LAWS

Old Harford Pines II Homeowners Association, Inc.

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BY-LAWS

OF

OLD HARFORD PINES II HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME

The name of the corporation is OLD HARFORD PINES II HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association".

ARTICLE II

DEFINITIONS

Section (1). Declaration. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Property dated , 19 , executed by the Declarant, and recorded among the Land Records of Baltimore County, Maryland, in Liber S.M. No. , folio , as same may hereafter from time to time be amended.

Section (2). Capitalized Terms. Each capitalized term used herein and defined in the Declaration shall have the meaning ascribed thereto in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section (1). Annual Meetings. The annual meeting of the Members shall be held at such place within Baltimore County or Baltimore City as may be designated by a majority of the Members, the Board of Directors or the manager of the Association at 8:00 p.m. on the first Thursday of December of each year (or on such other date, or at such other time, as may be fixed by such majority, board or manager), for the election of directors and for the transaction of general business.

Section (2). Special Meetings. Special meetings of the Members may be called at any time by the president, by the Board of Directors, by any Class B Member, or upon the written request of Members holding at least one-fourth (1/4) of the votes held by all Class A Members.

Section (3). Notice of Meetings. At least fifteen (15), but not more than thirty-five (35), days' written or printed notice of every annual meeting and every special meeting of the Association shall be given by the Board of Directors or the manager to each Record Owner whose name appears as such upon the roster or books of the Association thirty-five (35) days prior to the day of the meeting. Such notice of an annual or special meeting shall state the place, day and hour of such meeting, and, in the case of a special meeting, shall also state the business proposed to be transacted thereat.

Such notice shall be given to each Member either by delivering the same to him or by mailing it postage prepaid and addressed to him at his address as it appears upon the roster or books of the Association, as aforesaid. No notice of the time, place or purpose of any meeting of Members need be given to any Member who attends in person, or by proxy, or who, in writing, executed and filed with the records of the meeting, either before or after the holding thereof, waives such notice. The record date for determining the Members entitled to vote at any meeting of the Members shall be the date established in this Section 3 for determining the Members entitled to notice of such meeting.

Section (4). Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of legal title to his Lot (other than as security for a loan).

Section (5). Action Taken Without a Meeting. The Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Members (and of all Mortgagees, if Mortgagee consent is required for the taking of such action). Any action so approved shall have the same effect as though taken at a meeting of the Members.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section (1). Number and Qualification. Subject to the right of the Board of Directors to employ a manager, as provided in Article VII of these By-laws, the affairs of the Association shall be managed by a Board of Directors. So long as there are one or more Class B Members, any person may serve as a director. After all Class B memberships have ceased, each director shall be (a) a Member, either in his own name, or as a joint tenant, tenant in common, tenant by the entirety, or co-partner, if his Lot is held in a real property tenancy or partnership relationship, or (b) the spouse of a Member, or (c) an officer or agent of a corporate Member. For each membership, there shall be no limit as to the number of joint tenants, tenants in common or tenants by the entirety, co-partners, officers or agents of the Member who may serve as directors at the same time. The Board shall consist of three (3) directors, which number may be increased or decreased by a vote of the Members at any annual meeting, but shall never be less than three (3).

Section (2). Term. At the first annual meeting, the Members shall elect two (2) directors for a term of one year and one (1) director for a term of two years. Any increase in the number of directors shall be filled by the Members at the annual meeting at which such increase in the number of directors is adopted. The term of each such additional director shall be fixed at two (2) years. At the expiration of the initial term (not including any term of office commencing prior to the first annual meeting of the Members) and any subsequent term of office of each director, his successor shall be elected by the Members at an annual meeting to serve for a term of two (2) years. Each director elected as provided in this Section 2 (a) may,

Such notice shall be given to each Member either by delivering the same to him or by mailing it postage prepaid and addressed to him at his address as it appears upon the roster or books of the Association, as aforesaid. No notice of the time, place or purpose of any meeting of Members need be given to any Member who attends in person, or by proxy, or who, in writing, executed and filed with the records of the meeting, either before or after the holding thereof, waives such notice. The record date for determining the Members entitled to vote at any meeting of the Members shall be the date established in this Section 3 for determining the Members entitled to notice of such meeting.

Section (4). Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of legal title to his Lot (other than as security for a loan).

Section (5). Action Taken Without a Meeting. The Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Members (and of all Mortgagees, if Mortgagee consent is required for the taking of such action). Any action so approved shall have the same effect as though taken at a meeting of the Members.

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if reelected, succeed himself and (b) shall hold office until his successor shall be elected and qualified, or until he shall die, resign, cease to qualify, or be removed.

Section (3). Vacancies. If any director shall die or resign, or shall cease to qualify for directorship under Section 1 of this Article IV, or if the Members of the Association shall remove any director without appointing another in his place, a majority of the remaining directors, although such majority is less than a quorum, may elect a successor (the "replacement director") to hold office until the next succeeding annual meeting of the Association, and until the replacement director's successor shall be elected and qualified, or until the replacement director shall die, resign, cease to qualify, or be removed. Vacancies in the Board of Directors created by an increase in the number of directors may be filled by the vote of a majority of the Members of the Association present and voting at an annual meeting of the Association, and the director so elected to fill any such vacancy shall hold office until the second (2nd) succeeding annual meeting of the Association, and until his successor shall be elected and qualified, or until he shall die, resign, cease to qualify, or be removed.

Section (4). Removal. At any annual meeting of the Members of the Association, or at any special meeting of the Members of the Association called for that purpose, any director may be removed from the Board, with or without cause, by a majority of the Members of the Association present and voting, and another may be appointed in the place of the person so removed to serve for the remainder of his term. Removal of any director under the provisions of this Section shall, ipso facto, terminate the right of such director to hold any executive office of the Association.

Section (5). Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section (1). Nominating Committee. On or before September 1 of each year, the Board of Directors may appoint a nominating committee, comprised of three (3) Members, and, if such committee is so appointed, the Board shall promptly notify the Secretary of the Association, in writing, of the names of the committee members. This nominating committee shall, at least thirty (30) days prior to the annual meeting of the Association, nominate not less than such number of candidates for membership on the Board as may be required to be filled through election at such annual meeting, and forthwith submit its nominations to the Secretary of the Association. The decision of a majority of the members of the nominating committee shall be reported as the decision of the nominating committee.

Section (2). Other Nominations. In addition to the nominations, if any, made by the nominating committee for membership on the Board of Directors, as aforesaid, nominations may be made by any Member at or prior to

any annual meeting of the Association. Each nomination made prior to the annual meeting shall be submitted in writing to the Secretary of the Association.

Section (3). Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Cumulative voting is not permitted. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

MEETINGS OF DIRECTORS

Section (1). Regular and Special Meetings. Within seven (7) days after the annual meeting of the Members, the Board of Directors shall meet at such time and place as shall be fixed by the Members at said annual meeting, in which case no notice to the directors shall be necessary, or if no time and place was fixed for such meeting at the annual meeting of the Members, then the Board shall meet within seven (7) days following the day of such annual meeting, at such time, date and place as may be fixed by a majority of the directors. In addition to the foregoing meeting, regular meetings of the Board of Directors shall be held at such other time and place as may be fixed from time to time by a majority of the directors. Special meetings of the Board of Directors may be called by the President or by a majority of the directors, either by vote or in writing. All regular and special meetings of the Board shall be held in Baltimore City or Baltimore County, Maryland. Notice of the place, day and hour of every regular and special meeting shall be given to each director (a) in writing, either mailed to him, postage prepaid, not later than the fifth (5th) day before the day set for the meeting, or delivered to him personally not later than the day before the date set for the meeting; or (b) by telegraph or telephone not later than the day before the date set for the meeting. No notice of the time or place of the meeting need be given to any director who, in writing, executed and filed with the records of the meeting, either before or after the holding thereof, waives such notice, or, in fact, attends the meeting.

Section (2). Quorum. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section (3). Telephone Meetings. Members of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment, if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section (4). Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

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ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section (1): Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the Members and their guests thereon, and establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation of the Association, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, and/or such other employees as it deems necessary, and prescribe their duties.

Section (2): Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by any Class B Member or by one-fourth (1/4) of all Class A Members;
- (b) supervise all officers, agents and employees of this Association, and see that their duties are properly performed;
- (c) determine, notify the Record Owners of, collect and enforce annual and special assessments as provided in Article VI of the Declaration;
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid, as provided in Article VI(7) of the Declaration;
- (e) procure and maintain liability and hazard insurance on property owned by the Association as provided in Article XII hereof;
- (f) procure and maintain fidelity bonds as provided in Article XII hereof;

(g) cause the Common Areas to be maintained; and

(h) establish and cause to be maintained, out of annual assessments, a reasonable reserve fund for the periodic maintenance, repair and replacement of improvements, if any, in and on the Common Areas.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section (1). Executive Officers. The executive officers of the Association shall be a president, a vice president, a secretary, and a treasurer, or, if there be less than four (4) members of the Board of Directors, then a secretary-treasurer, instead of a secretary and a treasurer, each of whom shall be a member of the Board of Directors, and such other officers as the Board from time to time considers necessary for the proper conduct of the affairs of the Association. A director appointed as such by the Board of Directors shall not be eligible to serve as president or vice-president unless and until said director is thereafter elected (to serve another term) as a director at an annual meeting of the Association, unless no other member of the Board of Directors is eligible and willing to hold such office. The executive officers shall be elected every year by the Board of Directors at its first meeting following the annual meeting of the Members of the Association. Each such officer shall hold office for a term of one (1) year, and thereafter, until his successor is elected and qualified, or until his death, disqualification, resignation or removal. The powers and duties of the executive officers of the Association shall be subject to the powers of any manager employed by the Association or the Board of Directors, to the extent set forth in the contract of employment of such manager.

Section (2). Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section (3). Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section (4). Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section (5). Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 2 of this Article VIII.

Section (6). Duties. The duties of the officers are as follows:

- (g) cause the Common Areas to be maintained; and
- (h) establish and cause to be maintained, out of annual assessments, a reasonable reserve fund for the periodic maintenance, repair and replacement of improvements, if any, in and on the Common Areas.

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Section (3). Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section (4). Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section (5). Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 2 of this Article VIII.

Section (6). Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign deeds, deeds of trust, mortgages, leases and other written instruments to the extent required by Section 7 of this Article VIII.

Vice President

(b) The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by an independent accountant at the completion of each fiscal year, if an outside audit is required pursuant to Article X hereof; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

Section (7). Contracts, Agreements and Other Instruments. No deed, deed of trust, mortgage, lease, bond, bill of sale, assignment, contract, agreement, promissory note, check, or any other instrument or document intended to bind the Association shall be valid or binding unless signed (a) by two officers of the Association, one of whom shall be the president or vice-president, or (b) by the manager of the Association (except that the manager shall not have the authority to execute deeds, deeds of trust, mortgages, leases, and promissory notes on behalf of the Association). Each professional management contract, if any, entered into by the Association while the Association has a Class B Member shall provide such contract may be terminated by the Association without cause and without penalty on not more than ninety (90) days' written notice, and that such contract may be terminated by the Association with cause on not more than thirty (30) days' written notice.

ARTICLE IX

COMMITTEES

The Association may appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE X

BOOKS AND RECORDS

The Board of Directors shall keep the books of the Association, with detailed accounts in chronological order, noting all receipts and expenditures affecting the Property and its administration, and specifying the maintenance and repair expenses of the Common Areas and any other expenses incurred. A separate account shall be maintained for each Lot, showing the amount of each assessment of common expenses against such Lot, the date or dates same may be due, the amount paid thereon, and the unpaid balance thereof. Upon any sale or other transfer of a Lot, the new Record Owner or his agent shall provide to the Association, to the extent available, the name and forwarding address of the prior Record Owner, the name and address of the new Record Owner, the date of settlement, and the proportionate amounts of any outstanding assessment assumed by each of the parties to the transaction, and all such information shall be recorded in the assessment account which is maintained for such Lot. The books, together with all bills, statements and vouchers accrediting the entries made thereupon, all other records kept by the Board, and copies of the Association Documents shall be available for examination and copying by any Record Owner and any holder, insurer or guarantor of a Mortgage on a Lot, and the duly authorized agents or attorneys of any such Record Owner, holder, insurer or guarantor, during normal business hours and after reasonable notice. All books and records of the Association shall be kept in accordance with good accounting practices, on a consistent basis. An outside audit shall be made with respect to any fiscal year of the Association at the election of the Board of Directors or upon the written request of any Class B Member or of Members holding at least one fourth (1/4) of the votes held by all Class A Members, and the cost of such audit shall be a common expense. If no audit is made on behalf of the Association as above provided, any Mortgagee shall have the right to obtain an outside audit at its own expense. A written report summarizing all receipts and expenditures of the Association shall be rendered semi-annually by the Board of Directors to the Members. Promptly after the close of each fiscal year, an annual report of the receipts and expenditures of the Association, certified by an independent accountant (if an outside audit was obtained on behalf of the Association) or otherwise by the treasurer, shall be rendered by the Board of Directors free of charge to each Record Owner, and to any holder, insurer or guarantor of a Mortgage on a Lot, within a reasonable time after receipt of a written request therefor from such holder, insurer or guarantor. In addition to keeping the foregoing financial books and records, the Board of Directors shall keep detailed records of its actions, minutes of its meetings, and minutes of meetings of the Association.

ARTICLE IX

COMMITTEES

The Association may appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE X

BOOKS AND RECORDS

The Board of Directors shall keep the books of the Association, with detailed accounts in chronological order, noting all receipts and expenditures affecting the Property and its administration, and specifying the maintenance and repair expenses of the Common Areas and any other expenses incurred. A separate account shall be maintained for each Lot, showing the amount of each assessment of common expenses against such Lot, the date or dates same may be due, the amount paid thereon, and the unpaid balance thereof. Upon any sale or other transfer of a Lot, the new Record Owner or his agent shall provide to the Association, to the extent available, the name and forwarding address of the prior Record Owner, the name and address of the new Record Owner, the date of settlement, and the proportionate amounts of any outstanding assessment assumed by each of the parties to the transaction, and all such information shall be recorded in the assessment account which is maintained for such Lot. The books, together with all bills, statements and vouchers accrediting the entries made thereupon, all other records kept by the Board, and copies of the Association Documents shall be available for examination and copying by any Record Owner and any holder, insurer or guarantor of a Mortgage on a Lot, and the duly authorized agents or attorneys of any such Record Owner, holder, insurer or guarantor, during normal business hours and after reasonable notice. All books and records of the Association shall be kept in accordance with good accounting practices, on a consistent basis. An outside audit shall be made with respect to any fiscal year of the Association at the election of the Board of Directors or upon the written request of any Class B Member or of Members holding at least one fourth (¼) of the votes held by all Class A Members, and the cost of such audit shall be a common expense. If no audit is made on behalf of the Association as above provided, any Mortgagee shall have the right to obtain an outside audit at its own expense. A written report summarizing all receipts and expenditures of the Association shall be rendered semi-annually by the Board of Directors to the Members. Promptly after the close of each fiscal year, an annual report of the receipts and expenditures of the Association, certified by an independent accountant (if an outside audit was obtained on behalf of the Association) or otherwise by the treasurer, shall be rendered by the Board of Directors free of charge to each Record Owner, and to any holder, insurer or guarantor of a Mortgage on a Lot, within a reasonable time after receipt of a written request therefor from such holder, insurer or guarantor. In addition to keeping the foregoing financial books and records, the Board of Directors shall keep detailed records of its actions, minutes of its meetings, and minutes of meetings of the Association.

ARTICLE XI

RESERVE FUNDS

Section (1). Creation and Investment of Funds. From and after the commencement of the first annual assessment period, the Board of Directors shall establish and maintain a reasonable repair and replacement reserve fund (if appropriate), and reserve funds for such other purposes, if any, as it deems appropriate. Such reserves shall be deposited in a special account, but may be invested in (i) obligations fully guaranteed as to principal by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or any successor thereof, and/or (ii) money market funds distributed by New York Stock Exchange member firms.

Section (2). Repair and Replacement Reserve Fund. The repair and replacement reserve fund, if any, shall be used for the maintenance, repair, and replacement of the Common Areas and any improvements thereon for which the Association is responsible, provided, however, that such reserve may be used for such other purposes as are approved (i) by Record Owners having at least two-thirds (2/3) of the votes appurtenant to all Lots, and (ii) by a majority vote of the Eligible Holders, provided that each such Eligible Holder shall have the number of votes appurtenant to the Lot or Lots upon which it holds a Mortgage or Mortgages.

Section (3). Contributions to Capital. All funds assessed for payment into, or otherwise credited to, any reserve fund shall be deemed contributions to the capital of the Association made or to be made by the Record Owners, and same shall be shown on the balance sheet and other financial records of the Association as "paid-in-surplus", or its equivalent, to the end and intent that none of the reserve funds received or retained by the Association shall be considered as income for tax purposes.

ARTICLE XII

INSURANCE

The Board of Directors shall maintain, or cause to be maintained, in the name of the Association, policies of insurance in insurance companies which are (a) licensed to do business in the State of Maryland, and (b) customarily acceptable to mortgage lenders in Baltimore County, to the extent reasonably obtainable, as follows:

Section (1). Fire and Flood Coverage. The Board of Directors shall maintain fire and extended coverage insurance, including a standard "all risk" endorsement, on all buildings and other improvements, if any, owned or leased by, or otherwise available for the use of, the Association and situated on or within the Common Areas, and all building service equipment and supplies and other personal property owned by the Association, to the extent insurable, in an amount equal to one hundred percent (100%) of the current replacement cost of the insured property. If any such improvements and/or personal property are located within an area in which the purchase of flood insurance is required as a condition for federal or federally related financial assistance, the Board of Directors shall also cause such improvements and personal

property to be insured against flood loss in an amount not less than the lesser of the maximum coverage available for such improvements and personal property under the National Flood Insurance Program, or one hundred percent (100%) of the current replacement cost of such improvements and personal property. So long as Federal National Mortgage Association ("FannieMae") or Federal Home Loan Mortgage Corporation ("FHLMC") holds a Mortgage on any Lot, each such policy (i) shall include, to the extent required by such holder, an all-risk endorsement, an agreed amount endorsement, an inflation guard endorsement, a demolition cost endorsement, a contingent liability from operation of building laws endorsement, an increased cost of construction endorsement, a steam boiler and machinery coverage endorsement, and such other endorsements as such holder customarily requires, and (ii) shall comply with any other requirements (including, but not limited to, requirements as to deductible amounts) customarily imposed by such holder with respect to fire or flood insurance policies of homeowners association projects. In lieu of the foregoing insurance, the Board of Directors may maintain such other insurance against loss, damage or destruction of the improvements on or within the Common Areas as shall give substantially equal or greater protection to the Association, FannieMae and FHLMC, as applicable.

Section (2). Builder's Risk Coverage. During any construction, repair or restoration by the Association of improvements on or within a Common Area, the Board of Directors shall maintain a standard builder's risk casualty insurance policy with extended coverage, including vandalism and malicious mischief, in an amount equal to the full value of the improvements when completed.

Section (3). Liability Coverage. The Board of Directors shall maintain liability insurance coverage in an amount of at least \$1,000,000 for bodily injury, death and property damage for any single occurrence. Such insurance shall cover bodily injuries, death and property damage resulting from the operation, maintenance or use of the Common Areas and any other areas under the Association's supervision, including any such areas leased to others, and shall also cover, if applicable, any legal liability that results from law suits related to employment contracts in which the Association is a party. The Board of Directors shall also maintain, if applicable, host liquor liability insurance, employer's liability insurance, comprehensive automobile liability insurance, and/or contractual and all-written contract insurance.

Section (4). Directors and Officers Liability Coverage. The Board of Directors shall maintain directors and officers liability insurance equal to at least One Million Dollars (\$1,000,000.00).

Section (5). Fidelity Bonds. The Board of Directors shall maintain blanket fidelity bond coverage for all officers, directors and employees of the Association and all other persons handling, or responsible for, funds of, or administered by, the Association. If a manager has the responsibility for handling or administering funds of the Association, the manager shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The fidelity bond covering the officers, directors and employees of the Association shall name the Association as an obligee. Each fidelity bond shall be in an amount not less than the estimated maximum amount of

property to be insured against flood loss in an amount not less than the lesser of the maximum coverage available for such improvements and personal property under the National Flood Insurance Program, or one hundred percent (100%) of the current replacement cost of such improvements and personal property. So long as Federal National Mortgage Association ("FannieMae") or Federal Home Loan Mortgage Corporation ("FHLMC") holds a Mortgage on any Lot, each such policy (i) shall include, to the extent required by such holder, an all-risk endorsement, an agreed amount endorsement, an inflation guard endorsement, a demolition cost endorsement, a contingent liability from operation of building laws endorsement, an increased cost of construction endorsement, a steam boiler and machinery coverage endorsement, and such other endorsements as such holder customarily requires, and (ii) shall comply with any other requirements (including, but not limited to, requirements as to deductible amounts) customarily imposed by such holder with respect to fire or flood insurance policies of homeowners association projects. In lieu of the foregoing insurance, the Board of Directors may maintain such other insurance against loss, damage or destruction of the improvements on or within the Common Areas as shall give substantially equal or greater protection to the Association, FannieMae and FHLMC, as applicable.

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funds, including reserve funds, in the custody of the Association or the manager, as the case may be, at any given time during the term of such bond. However, in no event may the aggregate amount of such bonds be less than an amount equal to the sum of (a) one-fourth (1/4) of the estimated annual operating expenses of the Association, and (b) all amounts then held in reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the manager, shall be paid by the Association as a common expense.

Each policy of insurance maintained pursuant to this Article XII shall provide for at least ten (10) days' notice to the Association before the insurer may cancel or substantially modify it.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: the name of the Association and the word "Maryland" inscribed around the outer edge; and with the words "Corporate Seal" or "Incorporated" and the year of incorporation inscribed in the center.

ARTICLE XIV

INDEMNIFICATION

To the maximum extent permitted by Maryland law in effect from time to time, the Association shall indemnify, and shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to, (i) any individual who is a present or former director or officer of the Association or (ii) any individual who serves or has served another corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director or officer of such corporation or as a partner or trustee of such partnership, joint venture, trust or employee benefit plan at the request of the Association. The Association may, with the approval of its Board of Directors, provide such indemnification and advancement of expenses to a person who served a predecessor of the Association in any of the capacities described in (i) or (ii) above and to any employee or agent of the Association or a predecessor of the Association.

Neither the amendment nor repeal of this Article XIV, nor the adoption or amendment of any other provision of these By-laws, the Articles of Incorporation or the Declaration inconsistent with this Article XIV, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

ARTICLE XV

ADOPTION OF RULES AND REGULATIONS BY THE BOARD OF DIRECTORS

Section (1). Authorization. Subject to the provisions of this Article XV, the Association, acting through the Board of Directors, may adopt reasonable rules and regulations for the use, operation and maintenance of the Common Areas and any buildings and improvements now or hereafter located thereon or therein. All rules and regulations adopted pursuant hereto shall supplement the rules and regulations set forth in the Declaration, but in the event of any conflict between the two, the rules and regulations set forth in the Declaration shall take precedence over the rules and regulations adopted pursuant hereto.

Section (2). Notice of Meeting. At least fifteen (15) days prior to any regular or special meeting of the Board of Directors at which it is contemplated that a proposed rule or regulation will be voted upon, written notice of such meeting shall be given to each Member. Such notice shall include (a) the date, time, location and subject of the meeting, (b) a copy of the proposed rule or regulation, (c) notice that Members are permitted to submit written comments on the proposed rule or regulation to the secretary of the Association (who shall deliver all such written comments to the Board of Directors at or prior to the meeting of the Board of Directors at which the proposed rule or regulation is to be voted upon), and (d) notice of the proposed effective date of the proposed rule or regulation.

Section (3). Voting. A quorum of directors shall be present at such meeting, which shall be open to all Members. After all Members attending such meeting have had the opportunity to comment on the proposed rule or regulation and any modification thereof which is proposed at such meeting, the Board of Directors may, by the vote of majority of the directors present and voting, adopt the proposed rule or regulation or any such proposed modification thereof. On the request of any director, the yeas and nays shall be taken and entered on the minutes.

Section (4). Modification or repeal. Any rule or regulation adopted by the Board of Directors pursuant to the procedure set forth in this Article XV may be modified or repealed by the Board of Directors pursuant to the same procedure.

Section (5). Effective Date. The Board of Directors shall determine the effective date of the adoption, modification or repeal of any such rule or regulation (which effective date may differ from the proposed effective date set forth in the notice given to the unit owners pursuant to Section 2 above), provided that no such adoption, modification or repeal shall become effective until at least five (5) days after written notice of such adoption, modification or repeal, including a copy of such rule or regulation and disclosure of such effective date, has been mailed or personally delivered to each Member or placed at a location (on the Common Areas) previously designated by the Board of Directors (by written notice to the Members) for the communication of such rules and regulations.

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ARTICLE XVI

MORTGAGES

Section (1). Notice to Board of Directors. Each Record Owner who conveys his Lot by way of any Mortgage shall give written notice thereof to the Board of Directors, setting forth the name and address of his Mortgagee and submitting a conformed copy of his Mortgage and the note secured thereby, if any. The Board of Directors shall maintain all such Mortgage information in a book or other record designated "Mortgage Book". The Board of Directors shall also include in the Mortgage Book the name and address of any holder, insurer or guarantor of a Mortgage who furnishes to the Association a written notice stating the name and address of such holder, insurer or guarantor, and the Lot number or address of the Lot subjected to the Mortgage of such holder, insurer or guarantor (the "Mortgaged Lot").

Section (2). Notice and Information to Mortgagees.

(a) The Board of Directors shall furnish to each Mortgage holder, insurer or guarantor of record in its "Mortgage Book" timely written notice of: (i) any condemnation loss or casualty loss which affects a material portion of the Property or which affects the Mortgaged Lot; (ii) any delinquency in the payment of assessments or charges owed by the Record Owner of the Mortgaged Lot, where such delinquency has continued for a period of sixty (60) days; (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; (iv) any proposed action which would require the consent of a specified percentage (such as a majority, 66-2/3%, 80% or 100%) of the Eligible Holders or of all Mortgagees; and (v) the giving of any default or violation notice by the Association to the Record Owner of the Mortgaged Lot.

(b) Upon the specific written request of the Eligible Holder, the Board of Directors shall promptly furnish to said Eligible Holder, any information to which the Record Owner of the Mortgaged Lot may be entitled, including, without limitation, information as to the status of (i) any assessment, (ii) the performance of any obligation imposed under the Association Documents, and (iii) any default or violation of any kind or nature which may exist or be outstanding on the part of the Record Owner of the Mortgaged Lot.

ARTICLE XVII

AMENDMENTS

Section (1). Affirmative Vote of the Members. These By-laws may be amended by the affirmative vote of Members holding at least two-thirds (2/3) of the votes appurtenant to each class of membership in the Association (each class voting separately). However, these By-laws may not be amended so as to modify, impair or revoke any right or privilege reserved for the benefit of the Declarant, or so as to impose on the Declarant any obligation which is not also imposed on all Record Owners, without the prior written consent of the Declarant.

Section (2). Affirmative Vote of the Eligible Holders. Any amendment to these By-laws involving any Material Change shall also require the affirmative vote of a majority of the Eligible Holders, each such Eligible Holder to have a number of votes equal to the number of Lots upon which it holds First Mortgages.

Section (3). Veto by FHA or VA. So long as there are Class B Members, each amendment to these By-laws may be vetoed by the FHA or the VA, if such agency has previously approved the Property, or one or more Lots thereon, for mortgage financing purposes.

ARTICLE XVIII

MISCELLANEOUS

In the case of any conflict between the Articles of Incorporation and these By-laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

IN WITNESS WHEREOF, we, being all of the directors of Old Harford Pines II Homeowners Association, Inc., have hereunto set our hands this day of , 19 .

Catherine T. Heuer

Frank R. Hodgetts

Michael J. Keelty

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Old Harford Pines II Homeowners Association, Inc., a Maryland corporation, and that the foregoing By-laws constitute the original By-laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the day of , 19 .

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this day of , 19 .

Secretary of Old Harford Pines II Homeowners Association, Inc.

EXHIBIT V

PROPOSED BUDGET

PROPOSED BUDGET¹

First Annual Assessment Period²

Old Harford Pines II Homeowners Association, Inc.

(20 Lots)

INCOME

Annual Assessment \$3,000.00

EXPENSES

Grounds Maintenance:³

Grass Cutting 1,500.00

Fertilizer 225.00

Trees 100.00

Cleaning and Minor Repairs of
Parking Areas and Sidewalks 75.00

Snow Removal³ 60.00

General Liability Insurance³, and Directors
& Officers Liability Insurance 200.00

Repair and Replacement Reserves⁴ 840.00

Total Annual Expenses \$3,000.00

1 All figures are estimates only.

2 This budget assumes that the first annual assessment period of the Homeowners Association will contain 12 full months. Actually, the first annual assessment period will begin on the earlier of (a) a day to be determined by the Board of Directors or (b) the date the Class B membership ceases to exist, and the first annual assessment period will end on December 31 of the same calendar year in which it begins. Thus the first annual assessment period may be substantially shorter than 12 months. In such event, the annual figures for the first annual assessment period may, at the Board's discretion, be adjusted accordingly.

3 These expenses cover only the Common Areas (and the parking areas within the streets). Each Lot Owner is responsible for maintaining and insuring his or her Lot and dwelling.

4 The repair and replacement reserves are based on the following estimates:

<u>Common Area</u>	<u>Estimated Replacement Cost</u>	<u>Estimated Useful Life</u>	<u>Annual Reserve Requirement</u>
Parking Areas (curbs, gutters and paving)	\$7,650	15 years	\$510
Sidewalks	\$4,950	15 years	<u>330</u>
			\$840