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FOREST LAKES SUBDIVISION

DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION, made this 21ST day of March, 1995 by FOREST LAKES, L.L.C., a Maryland limited liability company, ("Developer").

WITNESSETH:

WHEREAS, Developer is the owner of the real property described in Exhibit A of this Declaration, consisting of the Lots on the final subdivision plats entitled "Final Plat One - Section Nine - Phase One, Forest Lake", "Final Plat Two - Section Nine - Phase Two, Forest Lake", "Final Plat Three - Section Nine - Phase Two, Forest Lake", "Final Plat Four - Section Nine - Phase Two, Forest Lake" and, Final Plat Five - Section Nine - Phase Two, Forest Lake", which are recorded in the Land Records of Harford County, in Plat Book C.G.H. 82, folio 106, and in Plat Book C.G.H. 83, folios 71, 72, 73, and 74, respectively. The Developer desires to create a planned community on the real property with permanent open spaces for the benefit of the said community; and

WHEREAS, Developer desires to provide for the preservation and enhancement of the property values, amenities and opportunities in said community and for the maintenance of the Properties and the improvements thereon, and to this end desires to subject the real property described in Exhibit A to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, for the efficient preservation of the values and amenities in said community, the Developer has incorporated under the laws of the State of Maryland the Forest Lakes Community Association, Inc. and delegates and assigns to it the powers of owning, maintaining and administering the community properties and facilities, administering and enforcing the covenants and restrictions, collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, health, safety and welfare of the residents.

NOW, THEREFORE, the Developer declares that the real property described in Exhibit A is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "Covenants and Restrictions") hereinafter set forth.

ARTICLE I

Definitions

As used in this Declaration, the following terms shall have the meanings herein ascribed thereto, except to the extent

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otherwise expressly provided, or otherwise resulting from necessary implication. The terms herein defined are:

Section 1. Additional Property. "Additional Property" shall mean property other than that described in Exhibit A which may, from time to time, be added to the Property pursuant to ARTICLE II hereof.

Section 2. Declaration. "Declaration" shall mean covenants, conditions and restrictions and all other provisions herein set forth in this entire document, as same may from time to time be amended.

Section 3. Association. "Association" shall mean and refer to Forest Lakes Community Association, Inc., a Maryland non-profit corporation, its successors and assigns.

Section 4. Board of Directors. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 5. Common Areas. "Common Areas" shall mean and refer to and include those areas of land, improvements and facilities located thereon, designated as open space, storm water management facilities or such similar designations on any Plat of Forest Lakes, as shown as an entirety or in sections, which are intended to be devoted to common use and enjoyment of all members of the Association, including particularly, but not by way of limitation, private roads, roadways, parking lots, sidewalks, open space, flood plain, passive and active recreational areas, storm water management facilities and other facilities and other related installations in, on, under or over any land or easement area. The Common Areas shall be conveyed to the Association as set forth in this Declaration.

Section 6. Developer. "Developer" shall mean and refer to Forest Lakes, L.L.C. as to that property described on Exhibit A attached hereto, the successors to all or substantially all of its business of developing the Property, or any of its assigns who are expressly granted rights of the Developer in conjunction with a conveyance of a portion of the Property.

Section 7. Lot or Lots. "Lot" or "Lots" shall mean and refer to and include one or more of the numbered subdivided parcels shown on any Plat of Forest Lakes, with the exception of public roads and the Common Areas.

Section 8. Member. "Member" shall mean and refer to members of the Association, as defined under its Articles of Incorporation and By-Laws.

Section 9. Mortgagee. "Mortgagee" shall mean the holder of any recorded mortgage, or the party secured or beneficiary of

any recorded deed of trust, encumbering one or more of the Lots. "Mortgage", as used herein, shall include deed of trust. "First Mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in this Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government, or any other organization or entity which has a security interest in any Lot.

In the event any mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the Veterans Administration ("VA"), then as to such mortgage the expressions "mortgagee" and "institutional mortgagee" include the FHA or the VA, as the circumstances may require, acting, respectively, through the Federal Housing Commissioner and the Commissioner of Veterans Benefits or through other duly authorized agents.

Section 10. Owner or Record Owner. "Owner" or "Record Owner" shall mean and refer to and include the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding record title to a Lot, 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 hold 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 "Owner" or "Record Owner", however, shall not mean, refer to or 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.

Section 11. Plat of Forest Lakes. "Plat of Forest Lakes" shall mean and refer to and include any and all final subdivision plats prepared by Frederick Ward Associates, Inc. entitled "Final Plat One - Section Nine - Phase One, Forest Lake", "Final Plat Two - Section Nine - Phase Two, Forest Lake", "Final Plat Three - Section Nine - Phase Two, Forest Lake", "Final Plat Four - Section Nine - Phase Two, Forest Lake" and, Final Plat Five - Section Nine - Phase Two, Forest Lake", which are recorded in the Land Records of Harford County, in Plat Book C.G.H. 82, folio 106, and in Plat

Book C.G.H. 83, folios 71, 72, 73, and 74, respectively, as revised, from time to time, and any other final subdivision plats relating to Additional Property added to the Property described on Exhibit A, pursuant to ARTICLE II hereto.

Section 12. Property. "Property" shall mean and refer to all of the real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration as more particularly described in Exhibit A, together with the buildings and improvements thereupon erected, made or being, and all and every right to the alleys, ways, waters, privileges, appurtenances and advantages to the same belonging, or anywise appertaining, together with such other real property as may, from time to time, be added thereto pursuant to ARTICLE II hereof.

Section 13. Supplemental Declaration. "Supplemental Declaration" shall mean and refer to any Declaration of Covenants, Conditions and Restrictions which may be recorded by the Developer which extends the provisions of this Declaration to other Additional Property and which contains such complementary provisions for such Additional Property as are herein required by this Declaration.

Section 14. Structure. "Structure" means any thing or device the placement of which upon the Property (or any part thereof) may affect the appearance of the Property (or any part thereof) including, by way of illustration and not limitation, any building, trailer, garage, porch, shed, greenhouse, or bath house, coop or cage, covered or uncovered patio, swimming pool, clothesline, radio, television or other antenna, fence, sign, curbing, paving, wall, roadway, walkway, exterior light, landscape, hedge, trees, shrubbery, planting, signboard or any temporary or permanent living quarters (including any house trailer) or any other temporary or permanent improvement made to the Property or any part thereof. "Structure" shall also mean (i) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across the Property, and (ii) any change in the grade of the Property (or any part thereof) of more than six (6) inches from that existing at the time of first ownership by a Class A member hereunder.

ARTICLE II

Property Subject to This Declaration

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the Third Election

District of Harford County, Maryland, and is more particularly described in Exhibit A.

Section 2. Additions to Existing Property by Developer. Additional lands within the area described as Sections VII, Phases 2 and 3, X, XI, XIII, on Exhibit B attached hereto may be annexed to the Property by Developer without the consent of the Members within ten (10) years of the date this Declaration is recorded among the Land Records of Harford County. Provided, however, if required by the U. S. Department of Housing and Urban Development ("HUD"), the Federal Housing Administration ("FHA") and/or the Veterans Administration ("VA") the written approval of annexation shall be acquired from such agencies, as set forth in Section 3(c) below.

Section 3. Additions to Existing Property. Added properties may become subject to this Declaration in the following manner:

(a) Additional lands not described or illustrated in Exhibit A may be annexed to the Property upon approval in writing of the Developer and of the Association, pursuant to a majority of votes of the Members present and voting in person or by proxy on the question. If required by the U. S. Department of Housing and Urban Development ("HUD"), the Federal Housing Administration ("FHA") and/or the Veterans Administration ("VA") the written approval of annexation shall be acquired from such agencies, as set forth in (c) below.

(b) The additions authorized under subsection (a) shall be made by the recording among the Land Records of Harford County of one or more Supplemental Declarations of Covenants, Conditions and Restrictions with respect to the Additional Property, which shall extend the scheme of this Declaration to such Additional Property.

(c) So long as any Lot is encumbered by a deed of trust or mortgage which is guaranteed by HUD, FHA and/or VA, no annexation shall be made pursuant to this Article, or otherwise, except following a determination by HUD, FHA and/or VA that the annexation conforms to a general plan for the development of the Community previously approved by it or, if no such general plan was approved by it, except following its prior written approval.

(d) Any Supplemental Declaration of Covenants, Conditions and Restrictions made pursuant to the provisions of this Article may contain such complementary or supplemental additions and modifications to the covenants and restrictions set forth in the within Declaration as may be considered necessary by the maker of such Supplemental Declaration of Covenants, Conditions and Restrictions to reflect the different character or use, if any, of the annexed property.

(e) The property, rights and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Property except as hereinafter provided. Any such merger shall be subject to the limitations provided for in ARTICLE XI, Section 4, if applicable.

ARTICLE III

Property Rights

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall, as created, be appurtenant to and shall pass with the title to every Lot and every member of the Association shall have a right of enjoyment in the Common Area, subject to the following provisions:

(a) The right of the Association to levy annual and special assessments for the maintenance, care or improvement of the Common Area, as set forth in this Declaration.

(b) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes as are consistent with the purpose of this Declaration and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless two-thirds (2/3) of each class of the then Members consent to such dedication or transfer, at any special meeting of the Members duly called for such purpose; provided, that any such dedication or transfer shall also be subject to the limitations provided for in ARTICLE XI, Section 4 of this Declaration.

(c) The right of the Association to borrow or raise money for any of the purposes of the Association, 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 of two-thirds (2/3) of the members of each class of membership in the Association voting separately thereon, to secure payment of the money borrowed and of the interest thereon by mortgage upon, or the pledge or the conveyance or assignment in trust of, the whole or any part of the property of the Association.

(d) The right of the Association to limit the number of guests of Members.

(e) The right of the Association to establish uniform rules, regulations and guidelines pertaining to the use of the Common Area.

(f) The right of the Association to provide for the exclusive use by the Members of certain designated parking spaces within the Common Area.

(g) The right of the public to use public access easements, if any, as shown on any Plat of Forest Lakes, such use to be in common with the rights of the Members.

Section 2. Delegation of Use. Any member may delegate his right of enjoyment to the Common Area and structures which might in the future be constructed thereon to the members of his family, and to his guests or tenants, subject to such rules and regulations as the Board of Directors may from time to time adopt, provided, however, that there shall be no abrogation of the duty of any member to pay assessments as provided in ARTICLE V of this Declaration.

Section 3. Title to Common Area.

(a) Title to the Common Areas shall be conveyed to the Association at the time of the sale and settlement of the last Lot which is located within the Property subject to this Declaration or any Additional Property annexed pursuant to any Supplemental Declaration, free and clear of all liens and encumbrances. The Developer shall provide, at its cost, an owner's title policy to the Association for the Common Areas conveyed. However, the Common Area will be conveyed to the Association no later than ten (10) years from the date of recording of this Declaration and may be conveyed prior thereto at the sole option of the Developer.

(b) Notwithstanding the provisions of paragraph (a) above, the Common Area shall be conveyed to the Association, free and clear of all liens and encumbrances, prior to the sale and settlement of the first Lot on the Property upon which HUD, VA and/or FHA insures or guarantees a first mortgage.

ARTICLE IV

Membership and Voting Rights

Section 1. Members. Every Owner of a Lot shall be a member of the Association as designated in Section 2 of this ARTICLE IV. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Membership Classes and Voting Rights. The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners (except the Developer during such time as there shall be a Class B membership) of Lots which are subject to assessment by the Association under the terms of this Declaration, and shall be entitled to one vote for each such Lot so owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as the members among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Developer, or its successors and assigns, if such successors or assigns should acquire two (2) or more undeveloped Lots from the Developer for the purpose of development or constructing residential dwelling units on Lots and who are expressly granted rights of the Developer in conjunction with a conveyance of a portion of the Property. The Developer, its successors and assigns, shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the earlier to occur of the following two dates:

(a) The date on which the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership except when the provisions of ARTICLE II hereof permit additional land to be annexed and such annexation may cause the total Class B votes to again exceed the total Class A votes, the Class B membership shall not be terminated under this subparagraph; or

(b) January 1, 2005.

ARTICLE V

Covenant for Maintenance Assessments

Section 1. Annual Maintenance Assessments. Except as assessments of the Developer are limited by the provisions of ARTICLE VI, Section 2 of this Declaration, each person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who becomes a fee owner of a Lot within the Property (i.e., each Class A member of the Association), by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay the Association, in advance, a monthly sum (herein elsewhere sometimes referred to as "maintenance assessments") equal to one-twelfth (1/12) of the Member's proportionate share of the sum required by the Association, as

estimated by its Board of Directors, to meet its annual expenses, including, but in no way limited to, the following:

(a) the cost of all operating expenses of the Common Area and the services furnished to or in connection with the Common Area, including charges by the Association for any services furnished by it; and

(b) the cost of necessary management and administration of the Common Area, including fees paid to any Management Agent; and

(c) the amount of all taxes and assessments levied against the Common Area; and

(d) the cost of liability insurance on the Common Area and the cost of such other insurance as the Association may obtain on behalf of the Association; and

(e) the cost of utilities and other services which may be provided by the Association, whether for the Common Area or for the Lots, or both, including but not limited to, trash removal, snow removal, and lawn care; and

(f) the cost of maintaining, replacing, repairing, and landscaping the Common Area, including, without limiting the generality of the foregoing, both (i) the Common Area from time to time owned by the Association; and (ii) landscaped areas along and within certain public rights-of-way within the Property and the various entrance walls, entry strips and signs located within the Property; and

(g) the cost of maintaining, replacing, repairing, and landscaping of any storm water management facilities and drainage systems or the like located upon the Common Area and the cost of the maintenance of all pathways upon the Property, together with such equipment as the Board of Directors shall determine to be necessary and proper in connection therewith; and

(h) the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacements.

(i) the funding of a proportionate share of the cost for maintaining, replacing, repairing or landscaping of common areas or facilities located within the Forest Lakes Subdivision, other than the Common Area, pursuant to agreements between other community associations in the Forest Lakes Subdivision and the Association, provided that, (1) such common areas or facilities shall be used, in conjunction with other Forest Lakes Subdivision residents, for the recreation, health, safety, or welfare of the Members, and (2)

such cost shall be equitably apportioned among and paid by other residents of the Forest Lakes Subdivision.

The Board of Directors shall determine the amount of the maintenance assessment annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board of Directors, installments of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinabove provided for. Any Class A member may prepay one or more installments on any annual maintenance assessment levied by the Association, without premium or penalty.

The Board of Directors shall prepare or cause the preparation of an annual operating budget for the Association which shall provide, without limitation, for the management, operation and maintenance of the Common Area. The Board of Directors of the Association shall make reasonable efforts to fix the amount of the annual maintenance assessment against each Lot for each assessment period at least thirty (30) days in advance of the beginning of such period and shall, at that time, prepare a roster of the Lots and the annual maintenance assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to the Board. Written notice of the annual maintenance assessments shall thereupon be sent to all members. The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the annual maintenance assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Class A member from the obligation to pay the annual maintenance assessment, or any installment thereof, for that or any subsequent assessment period; but the annual maintenance assessment fixed for the preceding period shall continue until a new maintenance assessment is fixed. No Class A member may exempt himself from liability for maintenance assessments by abandonment of any Lot belonging to him or by the abandonment of his right to the use and enjoyment of the Common Area.

Except as may specifically established by the Association, this Declaration does not contemplate that the Association shall have any responsibility for the maintenance or repair of the dwellings or their appurtenances and the responsibility and duties of the Association for maintenance and repairs shall be limited to the Common Area. The Owner of any Lot shall, at his own expense, maintain his Lot and dwelling, and any and all appurtenances thereto in good order, condition and repair and in a clean, sightly and sanitary condition at all times; provided, further, if such maintenance is not properly performed by any Owner, the Association shall have the right to perform such maintenance and assess the Owner for the cost of the same; provided, however, the Association

shall afford the Owner reasonable notice and an opportunity to rectify the situation prior to entry.

Section 2. Special Maintenance Assessments. In addition to the regular maintenance assessments authorized by this Article, the Association may levy in any assessment year a special maintenance assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, extraordinary repair or replacement of a capital improvement located upon, or forming a part of the Common Area, improvements and facilities thereon, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate; provided, however, that any such assessment shall have the assent of the Members representing a majority of the then Class A members of the Association and a majority of the then Class B members of the Association. A meeting of the Members shall be duly called for this purpose. The Association may also levy a special maintenance assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his Lot into compliance with the provisions of this Declaration (including any supplements or amendments hereto), the Articles of Incorporation or By-Laws of the Association, and any Rules or Regulations promulgated by the Association. Such special maintenance assessment may only be levied upon an affirmative vote of the Board of Directors and after a notice and opportunity for a hearing has been provided to the Member.

Section 3. Reserves for Replacements. The Association shall establish and maintain a reserve fund for repairs and replacements of the Common Area, improvements and facilities thereon by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors, but in no event to be less than ten percent (10%) of the annual maintenance assessments set forth in this ARTICLE V. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by any State or by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

The reserve for replacement of the Common Area, improvements and facilities thereon may be expended only for the purpose of affecting the replacement of the Common Area, improvements and facilities thereon, major repairs, equipment replacement, and for start-up expenses and operating contingencies of a non-recurring nature relating to the Common Area, improvements and facilities thereon. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any Member in any such reserves shall be considered an

appurtenance of his Lot and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

Section 4. Maximum Annual Maintenance Assessments. The initial maximum annual maintenance assessment for each of the Lots to which Class A membership is appurtenant shall not exceed the sum of One Hundred Twenty Dollars (\$120.00) per annum. Except as provided to the contrary in ARTICLE VI, Section 2, the annual maintenance assessment shall be levied at a uniform rate for each Lot to which Class A membership is appurtenant.

Section 5. Increase in Maximum Annual Maintenance Assessment.

(a) From and after September 1, 1994, the maximum annual maintenance assessment for all Class A memberships hereinabove provided for may be increased by the Board of Directors of the Association, without a vote of the Class A membership, by an amount equal to ten percent (10%) of the maximum annual assessment for the preceding year plus the amount by which any ad valorem real estate taxes and casualty and other insurance premiums payable by the Association have increased over amounts payable for the same or similar items for the previous year.

(b) From and after September 1, 1995, the maximum annual maintenance assessment for all Class A memberships hereinabove provided for may be increased above that established by the preceding paragraph by a vote of the Members, as hereinafter provided, for the next succeeding year, and thereafter, at the end of such year, for each succeeding year. Any increase in maintenance assessments made pursuant to this paragraph shall have the assent of a majority of the then Class A members of the Association and a majority of the then Class B members of the Association. A meeting of the Members shall be duly called for this purpose.

ARTICLE VI

Commencement of Annual Assessments

Section 1. Commencement of Annual Assessments for Class A Members. Except as may be otherwise resolved by the Board of Directors of the Association, the annual maintenance assessment for each Class A membership shall commence on the date a deed for the Lot to which such Class A membership is appurtenant is delivered by the Developer to the Member. The first monthly installment of each annual assessment shall be made for the balance of the month during which a deed for the Lot is delivered to the Member and shall become due and payable and a lien on the date a deed for the Lot is delivered to the Member. Except as herein elsewhere provided, the

monthly installments of each such annual assessment for any Lot for any month after the first month shall due and payable on the first day of each successive month.

Section 2. Assessment of Developer. Anything in this Declaration to the contrary notwithstanding, any regular or special assessment levied by the Association for any Lot without an occupied dwelling held by the Developer or by the maker of any Supplementary Declaration made pursuant to ARTICLE II of this Declaration shall be in an amount equal to twenty-five percent (25%) of the assessment levied by the Association against Lots held by the Class A members. Developer Lots upon which an occupied dwelling is situated shall pay full assessments. Assessments for Lots held by the Developer shall commence upon the transfer of title to the first Lot described in Exhibit A, and shall commence upon the recordation of any Supplementary Declaration with respect to Lots described therein.

Section 3. Exempt Property. No portion of the Common Area shall be subject to assessment of any kind by the Association.

ARTICLE VII

Remedies of Association for Non-Payment of Assessments

Section 1. Non-Payment of Assessments. Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall bind such Lot or Lots in the hands of the then owners, their heirs, devisees, personal representatives and assigns; provided, however, that the requirements of the Maryland Contract Lien Act have been substantially fulfilled. The personal obligation of the Member to pay such assessment shall, in addition, remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any assessment levied pursuant to this Declaration, or any installment thereof, may be maintained without foreclosing or waiving the lien herein created to secure the same.

Any assessment levied pursuant to this Declaration, or any installment thereof, which is not paid within ten (10) days after it is due, shall bear interest at the rate of ten percent (10%), and the Association may bring an action at law against the Member personally obligated to pay the same, or foreclose on the lien against the Lot or Lots then belonging to said Member in the manner now or hereafter provided for the foreclosure of mortgages, deeds of trust or other liens on real property in the State of Maryland containing a power of sale and consent to a decree, and subject to the same requirements, both substantive and procedural, or as may

otherwise from time to time be provided by law, in either of which events interest, costs and reasonable attorneys' fees of not less than twenty percent (20%) of the sum claimed shall be added to the amount of each assessment.

To the extent requested in writing to do so by any such mortgagee, the Association shall notify the holder of the first mortgage on any Lot for which any assessment levied pursuant to this Declaration becomes delinquent for a period in excess of sixty (60) days and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of sixty (60) days, but any failure to give such notice shall not affect the validity of the lien for any assessment levied pursuant to this Declaration, nor shall any such failure affect any of the priorities established in this Article.

Section 2. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to this Declaration, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

Section 3. Priority of Lien. The lien established by this Declaration shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

(a) general and special assessments for ad valorem real estate taxes on the Lot; and

(b) the liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the assessments provided for in this Declaration or duly recorded on said Lot after receipt of a written statement from the Board of Directors reflecting that payments on account of any such assessments were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

Notwithstanding any other provision of this Declaration to the contrary, the lien of any assessment levied pursuant to this Declaration upon any Lot, as in this Article provided, shall be subordinate to the lien of any deed of trust, mortgage or other encumbrance duly recorded on such Lot and made in good faith and for value received and shall in no way affect the rights of the holder of any such deed of trust, mortgage or other encumbrance; provided, however, that such subordination shall apply only to assessments, and installments thereof, which have become due and payable prior to a sale or transfer of the Lot pursuant to a foreclosure of such deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure. Any holder of any deed of trust, mortgage or other

encumbrance duly recorded on the Lot and made in good faith and for value received who comes into possession of the Lot pursuant to foreclosure of such deed of trust, mortgage or other encumbrance, or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other purchaser at a foreclosure sale, shall take the Lot free of any claims for unpaid maintenance assessments levied against the Lot which accrue prior to the time such holder comes into possession of the Lot or prior to the foreclosure sale, except for claims for a proportionate share of such unpaid maintenance assessments resulting from a reallocation of such unpaid maintenance assessments among the Lots upon the Property. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not, however, relieve the purchaser at any foreclosure sale from any liability for any maintenance assessments thereafter becoming due, or from the lien herein created to secure the payment of such maintenance assessments, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

No amendment to this Section shall affect the rights of the holder of any first mortgage on any Lot (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

The Board of Directors may, in its sole and absolute discretion, extend the provisions of this Section to the holders of mortgages (or in the indebtedness secured thereby) not otherwise entitled thereto.

ARTICLE VIII

Architectural Control

Section 1. The Design Review Board. A Design Review Board consisting of three or more persons shall be appointed by, and serve at the pleasure of, the Developer. At such time as the Developer's rights and obligations under this Declaration cease, the Design Review Board shall be appointed by the Board of Directors. Members of the Design Review Board may be nonmembers of the Association.

Section 2. Purpose. The Design Review Board shall regulate the external design, appearance, use, location and maintenance of the Property and of Structures thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among Structures and the natural vegetation and topography. The Design Review Board shall have no authority regarding the design, grading and landscaping plans, house selection or location upon construction, with such rights being solely retained by the Developer.

Section 3. Conditions and Prior Approval. Other than as approved by the Developer pursuant to Section 2 hereof, no Structure shall be commenced, erected or maintained on any Lot nor shall the exterior appearance of any Structure on any Lot be changed or altered from that as approved, nor shall the natural state of any area of any Lot be disturbed or altered after completion of the approved Structure, nor shall any work be commenced or performed which may result in a change of the exterior appearance of any Structure, until the plans and specifications showing the nature, kind, shape, dimensions, materials, floor plans, color scheme, location, exterior plans and details, paving plans and location, landscaping details, proposed topographical changes, together with the estimated cost of said work and the Owner's proposed construction schedule, and together with a designation of the party or parties to perform the work have been submitted to and approved in writing by the Design Review Board.

Section 4. Procedures.

(a) The Owner shall submit to the Design Review Board in care of Charles L. Vickers, Jr., 14 Back River Neck Road, Baltimore, Maryland 21221, or his designee, in writing, sent by certified mail, return receipt requested, an application containing a detailed statement of the proposed changes or improvements to any Lot or to the exterior of the dwelling, describing or showing the nature, kind, shape, height, materials and locations of the changes or improvements to be made. All details and information required by the Design Review Board must be supplied in the Owner's application to the Design Review Board. The name, address and home and business phone numbers must be included. Incomplete applications will be returned to the Owner and will not be deemed received by the Design Review Board as specifically set forth in the procedures for making applications.

(b) All applications shall be deemed received by the Design Review Board on the date of the actual receipt of a complete application. All applications shall be acted upon by the Design Review Board within forty-five (45) days after complete written plans and specifications have been received by it. The Design Review Board shall have the sole discretion to determine when an application is complete. Incomplete applications may be disapproved for that reason alone.

(c) The Design Review Board may disapprove any application for one or more of the following reasons:

(1) That the request is contrary to any restriction of this Declaration or any public law or regulation.

(2) Objection to the exterior design, color, appearance or materials to be used in the improvements.

(3) Objection to the location of the improvement on the Lot as it would relate to other Lots or uses in the vicinity.

(4) Objection to the color, finish, proportion, style of architecture, height, bulk or appropriateness of the improvement.

(5) For any other reasons which would interfere with the harmonious relationship among existing or proposed structures, the natural vegetation and topography of the community or which adversely affects property values in the vicinity of the improvement.

(d) The Owner shall be promptly notified, in writing, by the Design Review Board of its decision within ten (10) days of its decision. The written notice of the decision shall state the nature of the request, the reasons for the decision, and whether the application has been approved or disapproved.

(e) In the event the Design Review Board fails to act on an application within forty-five (45) days after receipt of a completed and acceptable application by the Design Review Board, the request shall be deemed to be approved, except that an application which contains a request which is contrary to the Use Protective Covenants set forth in ARTICLE IX, Section 1, shall not be deemed approved under any circumstances. The ten-day notice provision set forth in (d) above is in addition to the forty-five (45) day period during which the Design Review Board must act.

(f) No work shall be commenced by the Owner until written Design Review Board approval has been received by the Owner or the expiration of the forty-five (45) day period and the ten (10) day period set forth in the preceding paragraphs.

(g) All work approved by the Design Review Board shall be commenced within three (3) months of the date of the approval and completed within six (6) months thereafter and failure to do so will cause the approval to be null and void and of no further force and effect.

Section 5. Rules. The Design Review Board may adopt uniform rules for the regulation of fences, walls, accessory buildings, and all other site alterations for which the Design Review Board finds that uniform rules can be formulated. The rules may vary for different types of housing units or different areas, but shall apply uniformly to Lots or units within the class or area so designated.

Section 6. Enforcement.

(a) The Design Review Board shall conduct periodic walk-throughs of the community for the purpose of determining if there

exists any violations of the Declaration, and, if adopted, the Rules and Regulations.

(b) In the event an Owner is in violation, such Owner will be notified, in writing, by the Design Review Board of the specific violation. The "violation notice" shall state the specific violations and state that the Owner has thirty (30) days in which to correct the violations.

(c) If the Owner fails to correct the violations, the Design Review Board may, in the interest of the general welfare of all Owners of Lots, enter upon any Lot or the exterior of any dwelling at reasonable hours on any day except Sunday for the purpose of removing or correcting any violations or breach of any attempted violation of any of the covenants and restrictions or rules and regulations herein promulgated, or for the purpose of abating anything herein defined as a prohibited use or nuisance, provided, however, that no such action shall be taken without prior approval of the Board of Directors of the Association, and prior notice to the Owner in violation.

(d) In addition, the Association may exercise all rights and remedies provided it by law, and in the event that the Association shall employ an attorney to enforce such rights and remedies, the Owner shall pay all reasonable attorney fees.

Section 7. Building Permits. In addition to the requirements set forth in this Article, the Owner shall obtain the requisite building permit from Harford County, Maryland.

ARTICLE IX

Declaration of Covenants, Conditions and Restrictions

Section 1. Protective Covenants. In addition to all of the covenants contained herein, the use of the Property and each Lot therein is subject to the following:

(a) Residential Use. Except as otherwise provided for herein, no Structure shall be erected, altered, placed or permitted to remain on any Lot upon the Property other than one (1) residential dwelling unit which may be physically attached to one or more other dwelling unit, fifty percent (50%) or more of which shall be above ground level, for the sole use of the respective owners. All dwellings shall be used for private residential purposes exclusively and professional offices are prohibited from being maintained in or about a dwelling. The term "professional office" shall mean rooms or portions of the dwelling being used for office purposes for one or more members or employees of any recognized profession including, but not limited to, doctors, dentists, lawyers, architects, accountants, beauticians and insurance agents. No dwelling or portion thereof shall be used as

a children's day care center. This provision shall not apply to the Developer or its assigns during the construction and development of this Development.

(b) Restrictions on Further Subdivision. No Lot upon which a dwelling unit has been constructed shall be further subdivided or separated into smaller Lots by any Owner, and no portion less than the whole of any such Lot shall be conveyed or transferred by an Owner, provided that this shall not be construed to prohibit deeds of correction, deeds to resolve boundary line disputes and similar corrective instruments.

(c) Minimum Size Requirements and Construction Requirements. Any dwelling unit erected or maintained on any Lot upon the Property shall meet the following minimum requirements as to size, exclusive of porches, basements, unfinished attics, breezeways, or garages:

(1) One-story Unit: 1580 square feet of finished habitable floor area;

(2) Two-story Unit: 1620 square feet of finished habitable floor area;

(3) One and one-half story Unit or Cape Cod Unit: 1620 square feet of finished habitable floor area, the first floor of which shall consist of at least 1000 square feet; and

(4) Bi-level Unit or Split Foyer Unit: 1200 square feet of finished habitable floor area located on the main floor area.

(d) Fences. Any fence constructed on the property shall be wood and either solid board or split rail or similar type fencing, or as set forth in rules established pursuant to ARTICLE VIII, Section V hereof, but in no event may any fences be chain link, barb wire, wire mesh, or any similar type fencing. Prior to erection of a fence, the Owner must make a written request for review and approval of the fence location and style by the Design Review Board as provided for in ARTICLE VIII hereof. No fence shall extend in front of the rear building line of any dwelling. No fence may exceed seven (7) feet in height.

(e) Swimming Pools. Only one (1) private, in-ground, noncommercial swimming pool may be constructed or maintained on any Lot provided the plans, specifications and location thereof have first been submitted to and approved in writing by the Design Review Board, except that such pool, including fences, hedges, perimeter tilling or paving and other ornamental or functional appurtenances thereto shall be constructed in the rear of the dwelling unit on the site.

(1) No swimming pool shall be erected or maintained by any person or persons, corporation or association, on any Lot unimproved by a dwelling unit.

(2) No such swimming pool, together with all of the fences, hedges, perimeter tilling, paving and all of the ornamental and functional appurtenances thereto, shall be constructed or maintained in a location on the rear of the Lot such as will, in the opinion of the Design Review Board, make it undesirable or objectionable to the adjoining Lot Owners.

(3) Furthermore, at no time shall any such private swimming pool constructed and maintained on the Property be rented or leased to any person or persons, corporation or association. Each such private swimming pool shall be constructed and maintained solely for the use and enjoyment of the Owner or Owners thereof and their guests.

(f) Trash. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. The burning of trash shall not be permitted on any Lot. Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection and they shall be kept in a clean and sanitary condition.

(g) Vehicles. No junk vehicle, commercial vehicle, travel trailer, trailer, house trailer, mobile home, recreational vehicle, camper, camp truck, boat, or the like shall be kept on any street within the Forest Lakes Subdivision or upon any Lot unless it is placed in a garage and thereby not visible.

(h) Structures. No structure of a temporary character, or a trailer, tent, shack, mobile home, barn, or other outbuilding shall be constructed or maintained on any Lot at any time.

(i) Signs. No signs of any character shall be erected, posted or displayed upon, in or about any Lot or dwelling situate upon any Lot, provided, however, that one temporary real estate sign not exceeding six (6) square feet in area may be erected upon any Lot or attached to any dwelling placed on the market for sale or rent. Upon settlement or rental of the property so advertised, the real estate sign must be immediately removed.

(j) Antenna. After the installation of cable television or similar type television reception devices on the Property, no television or radio aerial or antenna or other similar aerial, antenna for reception or transmission or satellite t.v. dish shall be constructed or maintained on any Lot at any time.

(k) Landscaping. No structure, planting or material other than driveways or sidewalks shall be placed or permitted to remain upon any lot which may damage or interfere with any easement

for the installation or maintenance of utilities, or which may change, obstruct or retard direction or flow of any drainage channels.

(l) Lease of Lot. Any lease agreement between an owner and a lessee shall provide that the terms of this lease are subject in all respects to the provisions of this Declaration, any appropriate Supplemental Declaration, the Articles of Incorporation and By-Laws of the Association, and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing and for a minimum lease term of six (6) months.

(m) Nuisances. No nuisance shall be permitted to exist or operate upon any Lot so as to be detrimental to any other property in the vicinity thereof or to its occupants.

(n) Noxious Activities. No noxious or offensive trade or activity shall be carried on upon any Lot or within any dwelling situate on a Lot, nor shall anything be done therein or thereon which may be or become an annoyance or nuisance to the neighborhood or to other Owners of Lots.

(o) Animals. The maintenance, keeping, boarding and/or raising of animals, livestock or poultry of any kind, regardless of the number, shall be and is hereby prohibited on any Lot or within any dwelling situate on any Lot, except for domestic pets such as dogs, cats and caged birds, provided that they are not kept, bred or maintained for commercial purposes. Notwithstanding the above, no dwelling and Lot may have kept in, on or around them more than two (2) dogs or cats. No animal shall be permitted to run free or be kept tied or chained outside of the dwelling for an extended period of time, nor shall it create any annoyance or nuisance to the neighborhood or any other Lot Owner. The Board of Directors shall have the right to adopt such additional rules and regulations regarding animals as it may, from time to time, consider necessary and appropriate.

(p) Driveways. Any driveway or parking pad erected or maintained on any Lot upon the Property shall be constructed of concrete.

(q) Garages. Any dwelling unit erected or maintained on any Lot upon the Property shall have a garage attached to the dwelling unit and shall be of sufficient size to accommodate two standard passenger vehicles. Garages may not be converted into residential living quarters.

(r) Planting and Shrubbery. For traffic safety purposes, no trees or shrubbery shall be planted or allowed to remain on any Lot upon the Property within eleven (11) feet from the outer curb line. Every Lot upon the Property shall be sodded

from the outer curb line to a minimum of five (5) beyond the rear of the outer most part of the main dwelling unit.

(s) Natural Resource Districts. Areas designated as Natural Resource Districts on any Plat of Forest Lakes shall remain undisturbed except for road, storm water management, and utility construction as approved by Harford County, Maryland.

Section 2. Maintenance of Property. Each Owner shall keep all Lots owned by him, and all improvements therein or thereon, in good order and repair and free of debris, including but not limited to, the seeding, watering, and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all buildings and other improvements, all in a manner and with such frequency as is consistent with good property management.

Section 3. Utility Easements. There is hereby created utility easements as shown on any Plat of Forest Lakes upon, across, over, through, and under the above-described premises for ingress, egress, installation, replacement, repair, and maintenance of all utility and service lines and systems including, but not limited to, water, sewers, gas, telephone, electricity, television, cable or communication lines and systems. By virtue of such easements, it shall be expressly permissible for the Developer or the providing utility or service company to install and maintain facilities and equipment on said property, to excavate for such purposes and to affix and maintain wires, circuits, and conduits on, in and under the roofs and exterior walls of said residences providing such company restores disturbed areas to the condition in which they were found. These easements shall in no way affect any other recorded easements on said premises. After the conveyance of the Common Area affected by the easement to the Association, it shall have the exclusive power to grant or convey utility easements upon, across, over, through and under such Common Area, whether general or limited, for the construction of any utility lines or systems to serve the Property.

Section 4. Landscaping, Lawn Care, Snow and Trash Removal Easements. In the event it elects to do so, the Association is hereby granted easements upon, across, over, and through the Lots as shown on any Plat of Forest Lakes for ingress, egress, and maintenance of such Lots for landscaping, lawn care, snow and trash removal.

Section 5. Developer's Easement to Correct Drainage. For a period of ten (10) years from the date of conveyance of the first Lot in the Property, the Developer reserves a blanket easement and right on, over and under the ground within the Property to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The Developer further reserves the right and easement to adjust curb

boxes and sewer cleanouts until they are accepted by Harford County into its system. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary, following which the Developer shall restore the affected property to its original condition as near as practicable. The Developer shall give reasonable notice of intent to take such action to all affected Owners, unless, in the opinion of the Developer, an emergency exists which precludes such notice. This provision shall not be construed as an agreement by the Developer to undertake any such work.

Section 6. Additional Rights of the Developer. In view of the fact that the construction of the Developer's development is one which will take the Developer several years to complete, the Developer, in addition to all rights reserved to it under this Declaration, and notwithstanding any other provision of the Declaration specifically reserves the right to use any and all portions of the Property other than those Lots conveyed to Owners, including Common Area which may have previously been conveyed to the Association for all reasonable purposes necessary or appropriate to the full and final completion of construction of the Forest Lakes development. Specifically, none of the provisions concerning Architectural Control or Use Restrictions, including but not limited to: sign, fence, model homes or real estate office limitations, shall in any way apply to any aspect of the Developer's activities or construction, and notwithstanding any provisions of this Declaration, none of the aforesaid construction activities or any other activities associated with construction, sales management or administration of the Forest Lakes development shall be deemed noxious, offensive or a nuisance. The Developer reserves the right to store materials, construction debris and trash during the construction period on the Property without keeping same in containers. The Developer will take reasonable steps to avoid unduly interfering with the beneficial use of the lots.

ARTICLE X

Management

Section 1. Management Agent. The Board of Directors may employ for the Association a professional management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The Management Agent shall perform such duties and services as the Board of Directors shall authorize in writing. If the standards and regulations of FNMA and/or FHLMC prohibit self-management by the Association and FNMA and/or FHLMC holds an interest in a first mortgage or deed of trust against any of the Lots, then no such self-management shall be undertaken by

the Association, without the prior written consent and approval of all of the holders of the first mortgages of record on the Lots.

Provided that any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is insured by the Federal Housing Administration or guaranteed by the Veterans' Administration, and, provided further, that FHA and/or VA standards and regulations prohibit self-management of the Association, then no such self-management shall be undertaken by the Association without the prior written consent and approval of FHA or VA, as the circumstances may require.

Section 2. Duration of Management Agreement. Any management agreement entered into by the Association shall provide inter alia that such agreement may be terminated for cause by either party upon thirty (30) days' written notice thereof to the other party. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one (1) year periods.

Section 3. Limitation of Liability. The Association shall not be liable for any failure of any services to be obtained by the Association or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from water which may leak or flow from any portion of the Common Area, or from any wire, pipe, drain, conduit or the like. The Association shall not be liable to any member for loss or damage, by theft or otherwise, of articles which may be stored upon the Common Area. No diminution or abatement of assessments, as herein elsewhere provided for, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Area, or from any action taken by the Association to comply with any of the provisions of this Declaration or with any law or ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE XI

General Provisions

Section 1. Enforcement. The Association, and/or any 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 Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgments or court order shall in no

way affect any other provisions which shall remain in full force and effect.

Section 3. Duration and Amendment. 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 periods of five (5) years. The Declaration may be amended during the first twenty (20) year period by an instrument signed by the Developer, if the Developer owns any lot, and by not less seventy-five percent (75%) of the other Records Owners, and if the Developer does not own any lot, or after the first twenty (20) year period, by not less than seventy-five percent (75%) of the Owners. Any amendment must be recorded in the Land Records of Harford County and shall take effect immediately upon recordation.

Anything set forth in the paragraph immediately above the contrary notwithstanding, the Developer shall have the absolute unilateral right, power and authority to amend, modify, revise or change any of the terms or provisions of this Declaration, all as from time to time amended or supplemented. This unilateral right, power and authority of the Developer may be exercised only if the FNMA, GNMA, FHLMC, Veterans Administration, or the Federal Housing Administration or any successor agencies thereto shall require such action as a condition precedent to the approval by such agency of the United States of the Property or any part thereof or of any Lot thereof, for federally approved mortgage financing proposed under applicable Veterans Administration, Federal Housing Administration or similar programs. If the FNMA, GNMA, FHLMC, Veterans Administration, the Federal Housing Administration or any successor agency approves the Property or any part thereof or any Lot thereon for federally approved mortgage financing purposes, thereafter any amendments to the Declaration made during any period of time when there are Class B Members shall also require the prior consent of the agency giving such approval.

Section 4. Federal Housing Administration and Veterans Administration Approval. As long as there is a Class B member and if any lot is security for a mortgage or deed of trust insured by the Federal Housing Administration or guaranteed by The Veterans Administration, the following actions will require the prior approval of the Federal Housing Administration and/or The Veterans Administration, as the case may be: dedication of Common Area to the Public; amendment of this Declaration of Covenants and Restrictions, except by the filing of a Supplemental Declaration of Covenants; if development of the land described in the Supplemental Declaration is to take place in accordance with any plans which may have previously been approved by the Federal Housing Administration or the Veterans Administration; or a change in the Use Restrictions as set forth in ARTICLE IX (governed by the provisions of that ARTICLE); abandonment or termination of this Declaration or merger or consolidation of the Association with any other entity or the

sale, lease or exchange or other transfer of all or substantially all of the assets of the Association to any other entity; or dedication, conveyance or mortgage of the Common Area.

Section 5. Conflicts. In the case of any conflict between this Declaration, the Articles of Incorporation for Forest Lakes Community Association, Inc. or the Bylaws of the Association, this Declaration shall control.

IN WITNESS THEREOF, the parties hereto have set their hands and seals, the day and year first above written.

WITNESS:

Forest Lakes, L.L.C.

Thomas E Marshall

By: Charles L Vickers Jr (SEAL)
CHARLES L. VICKERS, JR.
General Manager

STATE OF MARYLAND, COUNTY OF HARFORD, to wit:

I HEREBY CERTIFY that on this 21 day of March, 1995, before me, a Notary Public in and for the State and County aforesaid, personally appeared CHARLES L. VICKERS, JR., General Manager of Forest Lakes, L.L.C. and acknowledged the foregoing Declaration to be the act and deed of said corporation.

AS WITNESS my hand and Notarial Seal.

Thomas E Marshall (SEAL)
Notary Public THOMAS E. MARSHALL

My Commission Expires

My Comm. Exps.
April 16, 1997

EXHIBIT A

PROPERTY SUBJECT TO THIS DECLARATION

All of the land shown and designated on the final subdivision plats entitled "Final Plat One - Section Nine - Phase One, Forest Lake", "Final Plat Two - Section Nine - Phase Two, Forest Lake", "Final Plat Three - Section Nine - Phase Two, Forest Lake", "Final Plat Four - Section Nine - Phase Two, Forest Lake" and, Final Plat Five - Section Nine - Phase Two, Forest Lake", which are recorded in the Land Records of Harford County, in Plat Book C.G.H. 82, folio 106, and in Plat Book C.G.H. 83, folios 71, 72, 73, and 74, respectively, excluding therefrom, however, all roadbeds or other property to be conveyed to Harford County, Maryland, for public use.

Return to:
Thomas E. Marshall
Stark and Keenan
30 Office Street
Bel Air, Maryland 21014
(410) 838-5522

TEM:952-57

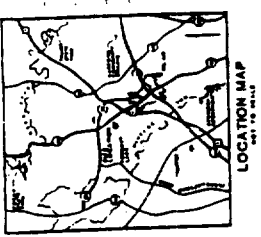
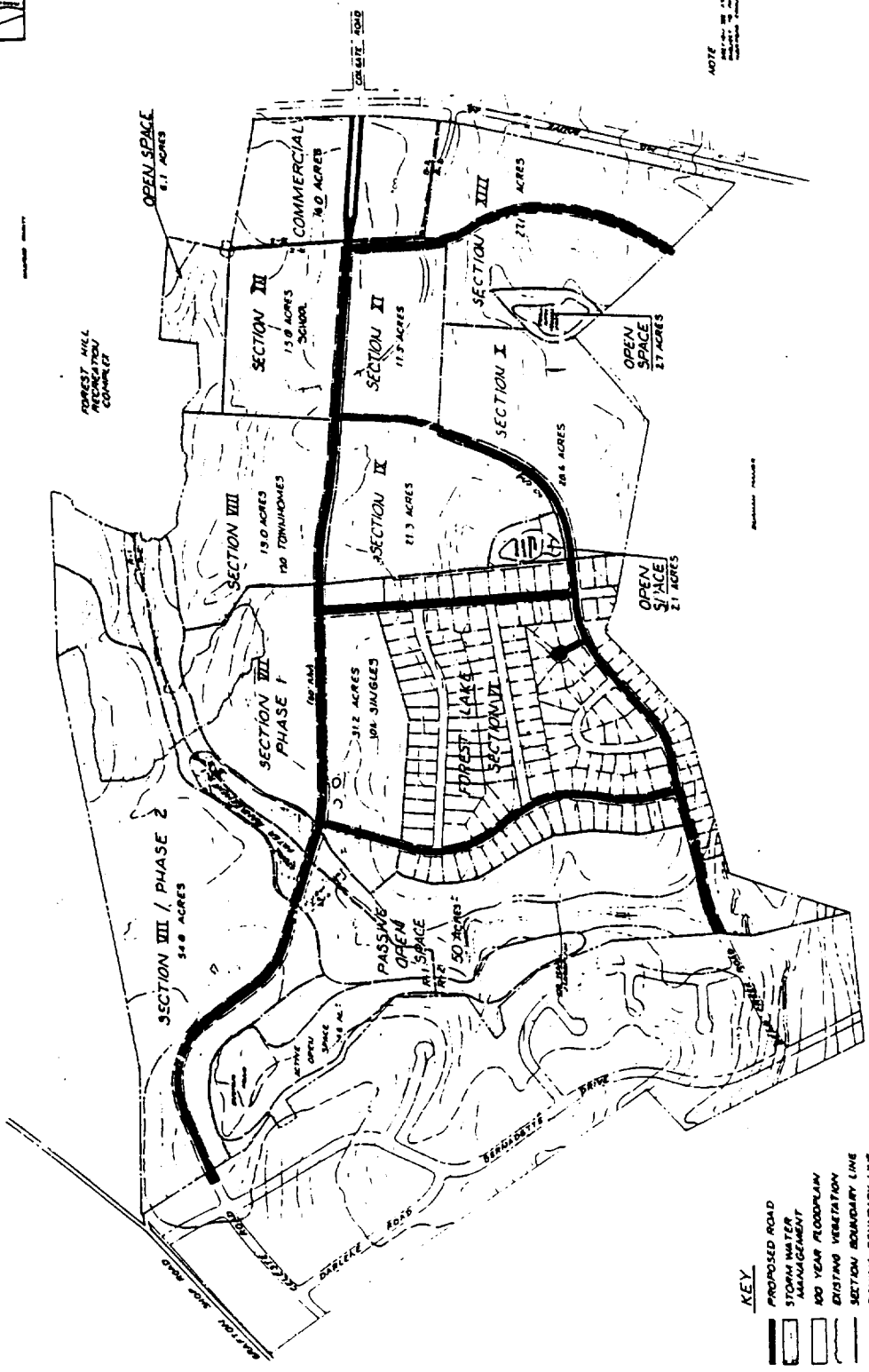


EXHIBIT B



NOTE: THE 100 YEAR FLOODPLAIN IS SHOWN FOR INFORMATION ONLY. IT DOES NOT REPRESENT A GUARANTEE OF FLOOD PROTECTION.

- KEY
- PROPOSED ROAD
 - STORM WATER MANAGEMENT
 - 100 YEAR FLOODPLAIN
 - EXISTING VEGETATION
 - SECTION BOUNDARY LINE
 - ZONING BOUNDARY LINE

DEVELOPER:
PINEHILL LAKES, LLC
100 BUCKINGHAM WAY, SUITE 100
FARMERSVILLE, OHIO 43024
TEL: 614-779-7465

LIBER 2232 FOLIO 004