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Grace Harbour HOA Inc.

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GRACE HARBOUR HOMEOWNERS' ASSOCIATION

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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GRACE HARBOUR HOMEOWNERS' ASSOCIATION
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, dated November 21, 1991 by GRACE HARBOUR LIMITED PARTNERSHIP, a Maryland Limited Partnership, the party of the first part (the "Declarant"); ALLECK A. RESNICK and J. MICHAEL MILLARD, Trustees, for the Beneficiary, BALTIMORE SAVINGS & LOAN ASSOCIATION, F.A., the parties of the second part (the "Lender"); and STEPHEN HOMES, INC., a Maryland Corporation, the party of the third part.

R E C I T A L S

1. WHEREAS, Declarant holds title to property located in Havre de Grace, Maryland which is in the Sixth Election District of Harford County, Maryland, and is more particularly described in Exhibit A (hereinafter "The Property") attached hereto and made a part hereof , by virtue of a Deed dated June 3, 1988, and recorded among the Land Records of Harford County, Maryland in Liber No. 1476, folio 581; and

2. WHEREAS, Baltimore Savings & Loan Association is the holder of a note secured by a Deed of Trust dated April 30, 1991, encumbering the Property and recorded among the Land Records of Harford County, Maryland in Liber CGH III, No. 1706, folio 425; and

3. WHEREAS, the party of the third part is the fee simple owner of a 6.958 acre parcel (as is more particularly described on Exhibit B attached hereto and made a part hereof) comprised of Lot No. 406 and the bed of Teal Court as shown on the Plat entitled "AMENDED PLAT 1, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73, folio 41, and Lots Nos. 407 thru 423, inclusive, Lot Nos. 434, 435 and the bed of Teal Court as shown on the plat entitled "AMENDED PLAT 2, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73, folio 42 by virtue of a Deed from the Declarant dated August 9, 1991 and recorded among the Land Records of Harford County, Maryland in Liber CGH III No. 1733, folio 1094; and

4. WHEREAS, Declarant intends to convey such property to Lot Owners (as hereinafter defined) subject to certain easements, protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth; and

5. WHEREAS, the Trustees join herein for the purpose of subordinating the lien of their Deed of Trust to the operation and effect of this Declaration of Covenants and the Lender joins herein for the purpose of ratifying the act of the Trustees herein.

NOW, THEREFORE, Declarant, as part of a general scheme of development, hereby declares that the property described in Exhibit B, which is attached hereto and made a part hereof, (hereinafter sometimes referred to as the "Annexed Property") shall be held, sold and conveyed subject to the following easements, covenants, conditions, restrictions, reservations, liens and charges which are for the purpose of protecting the value and desirability of, and which shall run with, the property and be binding on all parties having any right, title or interest in the property or any part thereof, their personal representatives, successors and assigns, and shall inure to the benefit of each such party.

ARTICLE I

DEFINITIONS

The following terms shall have the meanings ascribed to them for purposes of this Declaration:

"Association" shall mean and refer to GRACE HARBOUR HOMEOWNERS' ASSOCIATION, INC., a non-stock corporation of the State of Maryland, its successors and assigns.

"Common Areas" shall mean all property not within the lot lines of any particular lot (either single-family or townhouse) and is or shall be owned by the Association (including improvements thereon) for the common use and enjoyment of the Owners. The Common Areas are more particularly described on Exhibit C attached hereto and made a part hereof, and as shown on the Plats and appurtenant to the Property as "OPEN SPACE". The Declarant shall

convey the Common Areas to the Association in fee simple, and upon such conveyance the Common Areas shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of Members. The Common Areas shall be conveyed to the Association prior to the first conveyance of a Lot by Declarant to an Owner.

"Declarant" shall mean and refer to the named Declarant and any successor and assign who is expressly designated as a "Successor Declarant" pursuant to Article VII, Section 7 herein.

"Eligible Mortgage Holder" shall mean and refer to a holder of a first mortgage or first deed of trust on a Lot who has requested notice from the Association of amendments to the Association documents or other significant matters which would affect the interests of a mortgagee.

"Management Agent" shall have the meaning set forth in Article VI, Section 1.

"Lot" or "Lots" shall mean and refer to all of the single-family detached lots and the townhouse lots as shown on Plats 1 thru 17 and all improvements thereon.

"Member" or "Members" shall mean and refer to every person, group of persons, corporation, trust, or other legal entity, or any combination thereof, who holds any class of membership in the Association.

The term "mortgagee" shall mean and refer to 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. The term "mortgage", as used herein, shall include deed of trust. The term "first mortgage", as used herein, shall mean a mortgage with priority over other mortgages. The term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. 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 expression "mortgagee" includes the FHA or the VA as the circumstances may require, acting, respectively, through the Federal Housing

Commissioner and the Commissioner of Veteran' Benefits or through other duly authorized agents.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

"Plats" shall mean, refer to and include (a) those certain plats of subdivision entitled "GRACE HARBOUR", consisting of 17 plats, recorded among the Land Records of Harford County in Plat Book No. 69, folios 43, 52 and 53 and in Plat Book No. 73, folios 41 thru 53 inclusive, and (b) any amendment to or resubdivision of the aforesaid plats. The term "Plat" shall refer to all of the Plats unless a particular plat number is specifically referenced.

"Property" shall mean and refer to that certain real property more particularly described in Exhibit A.

"Annexed Property" shall mean and refer to that certain real property more particularly described in Exhibit B.

"Homeowner" shall mean and refer to all and every Lot purchaser who shall either purchase a Lot from a builder for the purpose of residing thereon or a Lot purchaser who shall purchase a Lot from a builder for the purpose of renting the improvement constructed thereon or of holding the improvement constructed thereon for resale.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

Section 1. Declarant and every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separate from ownership of a Lot.

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

Class A. Class A Members shall be all Owners with the exception of Declarant, and shall be entitled to one vote for each Lot so owned. When more than one person holds an interest in any Lot, all such members shall be Members. The vote for such Lot

shall be exercised as they 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 Declarant and shall be entitled to three (3) votes for each Lot owned by it. There shall never be more than one (1) Class B Member. The Class B membership shall terminate and be converted to Class A membership on the first to happen of the following events:

(a) When the total votes outstanding in the Class A membership exceed the total votes outstanding in the Class B membership; or

(b) On the tenth (10th) anniversary of the date of this Declaration.

ARTICLE III

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of use and enjoyment in and to the Common Areas and recreational facilities thereon as shown on the Plats, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to suspend (i) any Owner's voting rights and (ii) the right to the use of the Common Areas and recreational facilities thereon for any period of time during which any assessment against an Owner's Lot remains unpaid;

(b) subject to the requirements, if applicable, of Section 11(a) of Article VII, the right of the Association to dedicate or transfer all or any part of the Common Areas or open areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members.

(c) the right of the Association to limit the number of guests of Owners;

(d) the right of the Association's Board of Directors to establish uniform rules and regulations pertaining to the use of the Common Areas and the facilities thereon (the description, nature, powers and duties of the Board of Directors being more particularly described in the Association's Articles of

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Incorporation and By-Laws);

(e) the right of the Association, the Declarant, utility companies and other Owners with respect to the easements established in Article IX hereof;

(f) subject to the requirements of Section 11(a) of Article VII, the right of the Association, in accordance with its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Areas in a manner designed to promote the enjoyment and welfare of the Members and in aid thereof to mortgage the Common Areas;

Section 2. Limitations.

(a) Any other provision of this Declaration to the contrary notwithstanding, the Association shall have no right to suspend any easement over the Common Areas for storm water drainage, electrical energy, water, sanitary sewer, natural gas, CATV or similar services, telephone services or similar utilities and services to any Lot.

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the By-laws and Rules and Regulations, if any, promulgated by the Association, its right of enjoyment to the Common Areas and facilities thereon to family members, tenants, social invitees, or contract purchasers (if they reside on the Lot).

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Owners, for each Lot owned, hereby covenant, and each Owner by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) an annual assessment or charge, and (2) special assessments or charges; such assessments to be established and collected as hereinafter provided. With respect to each Lot, such assessments shall commence to be due upon conveyance by Declarant of a Lot to an Owner. The annual and special assessments, together with costs of collection, including

[illegible] fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made, as more particularly set forth in Section 8 herein. Each assessment, together with costs of collection as aforesaid, shall also be the personal obligation of the Owner of such Lot at the time when such assessment falls due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of the Owners and/or residents of the property including but in no way limited to the following:

(a) the cost of all operating expenses of the Common Areas as shown on the Plats and Storm Water Management Areas as shown on the storm water management facilities schematic attached hereto, made a part hereof and labelled Exhibit D (the "Storm Water Management Area"), and the services furnished to or in connection with the Common Areas including charges by the Association for any services furnished by it; and

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

(c) the amount of all taxes and assessments levied against the Common Areas and Storm Water Management Areas; and

(d) the cost of (i) liability insurance on the Common Areas and Storm Water Management Areas, and (ii) Officers' and Directors' liability insurance, and the cost of such other insurance as the Association deems appropriate; and

(e) the cost of utilities and other services which may be provided in connection with the operation of the Storm Water Management Areas and/or Common Areas; and

(f) the cost of maintaining, replacing, repairing, and landscaping the Common Areas and Storm Water Management Areas, including, without limitation, maintenance of any storm-water retention ponds or the like located thereon; and

(g) the cost of funding all reserves established by the Association, including, when appropriate, a general

funded by a one-time assessment of one-fourth of the initial

capital fund for the initial operation of the Association, to be

(c) The Declarant may also establish a working

previous year's assessment shall continue for the current year.

annual assessment over the previous year's assessment, then the

the membership disapproves the proposed increase in the maximum

by proxy, at a meeting duly called for this purpose. In the event

of the votes of each class of members who are voting in person or

year's assessment by the affirmative vote of sixty-seven percent

by an amount in excess of ten percent (10%) above the previous

above the assessment for the previous year or by an amount equal

to the increase in the Consumer Price Index without a vote of the

membership. The maximum annual assessment per Lot may be increased

(b) The maximum annual assessment per Lot may not

be increased each year by an amount more than ten percent (10%)

Association Dues at the maximum rate established hereinabove, and

said dues shall be collected on and after the Homeowner's date of

settlement.

(ii) A Homeowner purchasing a Lot shall pay

quarterly installments of Fifteen Dollars ($15.00) per townhouse

lot and Five Dollars ($5.00) per single family lot. A Builders

responsibility for the payment of the Association Dues on a

particular Lot or Lots shall continue up to the date on which the

Builder conveys his interest to another Builder or a Homeowner, and

shall terminate on the date Builder conveys the said Lot or Lots

to another Builder or to a Homeowner.

(i) A Builder purchasing lots for the purpose of

erecting improvements thereon shall pay Association Dues in an

amount equal to one-fourth (1/4) of the Association Dues for

family lot.

Section 3. Maximum Annual Assessments.

(a) The initial maximum annual assessment shall be

$180.00 per townhouse lot and Sixty Dollars ($60.00) per single

family lot, and (iii) signage identifying the subdivision,

fencing, and (iii) entrance features,

on the Common Areas and Storm Water Management Areas, and (ii)

operating reserve and a reserve for replacement of (i) improvements

maximum annual assessment for each improved Lot; payable, if established, by each Homeowner at settlement for the purchase of each improved Lot from a builder.

Section 4. Special Assessments. In addition to the annual assessments authorized above, and notwithstanding the provisions of Section 3(c) of this Article IV, the Association may (and, in the case of clause (ii) below, shall) levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas and/or Storm Water Management Areas, or for such purposes as the Board of Directors may deem appropriate, provided that any such special assessment shall have either been (i) approved by a majority of the Board of Directors and by the affirmative vote of sixty-seven percent of the votes of each class of members who are voting, in person or by proxy, at a meeting duly called for this purpose, or (ii) the repair or replacement must have been necessitated by applicable law or regulations of the State of Maryland, Harford County, or the City of Harve de Grace. The Association may also levy a special assessment against any Owner to reimburse the Association for costs incurred in bringing any Owner and his/her Lot into compliance with the provisions of the Declaration, any Supplementary Declaration, the Articles of Incorporation and the By-Laws of the Association. Such special assessment may be levied upon the vote of the Board of Directors after notice to the Owner and an opportunity for a hearing before the Board of Directors.

A special townhouse assessment for capital improvements shall be used only for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair or replacement of a capital improvement or which is designated for the exclusive use or designed to primarily benefit the owners and residents of Townhouse Lots. If established, the special townhouse assessment for capital improvements shall have the assent of a majority of the

Board of Directors and sixty-seven percent of the votes of each class of members owning Townhouse Lots who are voting in person or by proxy at a meeting duly called for that purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4, which requires the affirmative vote of the membership, shall be sent to all Members not less than ten (10) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all of the votes of the membership shall constitute a quorum. If the required quorum is not present, further meetings may be called subject to the same requirements, and the members present at said meeting shall constitute a quorum. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments, except for special assessments levied against Owners to reimburse the Association for costs incurred in bringing any Owner and his/her Lot into compliance with the Declaration, any Supplementary Declaration, the Articles of Incorporation and the By Laws of the Association, must be fixed at a uniform rate for each single family lot, and must be fixed at a uniform rate for each townhouse lot, may be collected on a monthly, quarterly or annual basis, and may be collected by the lending institution holding the mortgage on the Lot, and in turn delivered to the Association.

Section 7. Date of Commencement of Annual Assessment Due Dates. The initial annual assessment provided for herein shall commence as set forth in Article IV, Section 1 and shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of subsequent annual assessments against each Lot and send written notice to each Owner subject thereto at least thirty (30) days in advance of the commencement of each annual assessment period; but failure to send such notice shall not affect the validity of any

annual assessment. The due dates and intervals of payment (i.e. monthly, quarterly or annually) shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association, or by the Management Agent, setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from such date at the rate of eighteen percent (18%) per annum (or such lesser sum as VA and/or FHA may specify if any Lot subject to this Declaration is then encumbered by a mortgage which is guaranteed by VA or insured by FHA). The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot in accordance with the requirements of the Maryland Contract Lien Act, as the same may be amended from time to time. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his or her Lot. Such Owner shall also be obligated to pay all attorneys' fees and court costs incurred in connection with the collection of assessments if not paid when due.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to the foreclosure of the first mortgage or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or tranefer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

MAINTENANCE OBLIGATIONS

Section 1. Owner's Rights and Responsibilities. Except as otherwise specifically provided in this Declaration, each Owner

shall keep his/her Lot and all improvements therein or thereon neatly and attractively maintained in good order and repair and free of debris in a manner and with such frequency as is consistent with good property management and the terms of this Declaration. In the event an Owner of any Lot shall fail to maintain the Lot as aforesaid, the Board of Directors or its agent shall have the right to enter upon said Lot to correct drainage and to repair, maintain and restore the Lot (including the lawn and grass areas appurtenant to the dwelling) and the exterior of the dwelling and any improvements erected thereon. Whenever entry is not required by an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry. All costs related to such correction, repair or restoration shall be collectible from, and enforced against, the Owner of such Lot in the same manner as assessments as provided in Article IV herein.

Section 2. Association Maintenance. The Association, subject to the rights of Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and the Storm Water Management Area and all improvements thereon, and shall maintain and keep the Common Areas and Storm Water Management Areas in good order and repair, in a clean, attractive and sanitary condition in accordance with City of Havre de Grace regulations and in accordance with a Storm Water Management Agreement to be entered into with the City of Havre de Grace, such maintenance to be funded by the annual assessments. This obligation shall include, but not be limited to, maintenance, repair and replacement, subject to any insurance then in effect, of all improvements, situated upon such areas. Without limiting the generality of the foregoing, the Association shall also be responsible for landscaping and the clearing of fallen trees and other debris from the Common Areas and Storm Water Management Areas, as well as planting, pruning, and fertilizing thereon. In the event the Storm Water Management Areas are not maintained as aforesaid, the City of Havre de Grace may, after notification to

the Association thereof, perform the necessary maintenance and assess the Grace Harbour Home Owners Association for any costs incurred. However, should the Grace Harbour Home Owners Association fail to pay the assessment levied by the City of Havre de Grace for said maintenance the costs incurred may be assessed proportionately to the Lot Owners.

Section 3. Best Management Practices. In addition to the above obligations, the Association and, where applicable, Owners agree to follow the best management practices established by the City of Havre de Grace. These obligations are as follows:

1. All areas except those used for buildings, sidewalks, and paved parking areas will be planted with permanent vegetative cover and/or landscaped as soon as possible after final grading and maintained in such condition.

2. Dirt and debris accumulating on private roads and parking lots will be removed according to the following schedule: May through October, concurrent with grass mowing; November through April, monthly.

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

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

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

ARTICLE VI

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, including the following:

(a) to establish and provide for the collection of any assessments provided for in this Declaration, and to provide for the enforcement of liens therefor in a manner consistent with law and the provisions of this Declaration; and

(b) to provide for the care, upkeep and maintenance of the Common Areas and Storm Water Management Areas; and

(c) to designate, hire and dismiss such personnel as may be required for the good working order and maintenance of the Common Areas and Storm Water Management Areas; and

(d) to promulgate (with the approval of the Board of Directors) and enforce such uniform rules and regulations and such restrictions or requirements, "house rules" or the like as may be deemed proper respecting the use of the Common Areas; and

(e) to provide such other services (including legal and accounting services) for the Association as may be consistent with law and the provisions of this Declaration.

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 the Association upon thirty (30) days' prior written notice thereof to the Management Agent. 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.

ARTICLE VII

PARTY WALLS AND PARTY FENCES

The rights and duties of the Owners of Lots with respect to party walls and fences shall be governed by the following:

Section 1. General Rules of Law to Apply. Each wall or fence which is constructed as a part of the original construction on the Property and any part of which is placed on the dividing line between separate Lots, shall constitute a party wall or fence, as applicable, and with respect to such wall or fence, each of the

adjoining Owners shall assume the burdens, and be subject to an easement for the portion of the wall or fence on his or her Lot, and be entitled to the benefits of these provisions and, to the extent not inconsistent herewith, the general rules of law regarding party walls and fences and of liability for property damage due to negligence or willful acts or omissions, shall apply thereto.

Section 2. Sharing of Repair and Maintenance and Destruction by Fire or Other Casualty. If any such party wall or fence is damaged or destroyed by fire or other casualty or by some cause other than the act of the adjoining Owner, his/her agents, or family (including ordinary wear and tear and deterioration from lapse of time), then, in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair the same to as good condition as formerly existed, with both such Owners being liable for fifty percent (50%) of the cost of repair or reconstruction.

Section 3. Repairs of Damage Caused by One Owner. If any such party wall or fence is damaged or destroyed through the act of one adjoining Owner or any family members, agents or guests (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining Owner of the full use and enjoyment of such wall or fence, then the Owner responsible for such damage shall forthwith proceed to rebuild and repair the same to as good condition as formerly existed, without cost to the adjoining Owner.

Section 4. Waterproofing. Notwithstanding any other provision of this Article to the contrary, any Owner whose negligence or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Encroachments. If any portion of a party wall or fence shall encroach upon any adjoining Lot, or upon the Common Areas, by reason of reconstruction, settlement or shifting of any dwelling, or otherwise, a valid easement shall exist for the encroachment and for the maintenance of the same as long as the dwelling stands.

Section 6. Other Changes. In addition to meeting the other requirements of these provisions, and of any building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild a dwelling in any manner which requires the extension or other alteration of any party wall or fence shall first obtain the written consent of the adjoining Owner.

Section 7. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the Lot and shall pass to such Owner's successors in title.

Section 8. Dispute. In the event of a dispute between Owners with respect to repair or rebuilding of a party wall or fence or with respect to the sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board of Directors who shall decide the dispute, and the decision of the Board of Directors shall be final, conclusive and binding upon the parties. If either or both of the disputing Owners are members of the Board of Directors, then the Owner(s) shall be disqualified from participating in the decision-making process.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Insurance. The Association shall maintain (i) comprehensive general liability insurance covering the Common Areas and the Storm Water Management Areas and any other property which may be owned or administered by the Association, and (ii) Officers' and Directors' liability insurance. Coverage limits for the comprehensive general liability insurance shall initially be at least One Million Dollars ($1,000,000.00) for bodily injury and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the Association for property damage, bodily injuries and deaths of persons in connection with the operation and maintenance or use of the Common Areas and the Storm Water Management Areas, and legal

liability arising out of lawsuits related to employment contracts in connection with the maintenance and repair of such areas. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. Such policy must also provide that it may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association. The Officers' and Directors' liability insurance shall be in such amounts as determined by the Board of Directors from time to time in the exercise of their reasonable discretion.

Blanket fidelity bonds shall be required to be maintained by the Association for all officers, directors, managers, trustees, employees and volunteers of the Association and all other persons handling or responsible for funds held or administered by the Association, whether or not they receive compensation for their services. Where the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity bond. All fidelity bonds, including those entered into by, and/or on behalf of or for the benefit of a management agent and its personnel, should name the Association as an obligee (for bonds entered into by or on behalf of, or for the benefit of a management agent and its personnel, the Association should be named as an additional obligee). Fidelity bonds entered into by the Association shall have their premiums paid as a common expense of the Association. The total amount of fidelity coverage required shall be the greater of the maximum amount of funds that will be in the custody of the Association or management agent at any time, or the sum of three (3) months' assessments on all Lots within the Property. The bonds shall provide that they cannot be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association and to all Eligible Mortgage Holders.

Section 2. Implied Rights. The Association may exercise

any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

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 annual or special assessment 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 Areas or the Storm Water Management Areas, or from any wire, pipe, drain, conduit or the like. No diminution or abatement of the annual or special assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the Common Areas or the Storm Water Management Areas, 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.

There shall be no absolute liability imposed on any Lot Owner for damage caused by the said Lot Owner, their families, guests or invitees to any common area or open space lot and/or improvements erected thereon within the Grace Harbour Subdivision which common areas or open space lots are (or should have been) maintained by the Association. Any liability incurred should be that for which they would be legally responsible for under State law.

Section 4. Enforcement. The Association, or any Owner, or any mortgagee of any Lot, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, covenants, conditions, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Articles of Incorporation or By-Laws. The failure of the Association, any Owner or any mortgagee to enforce any covenant or restriction

herein contained or the Articles of Incorporation or By-Laws shall in no event be deemed a waiver of the right to do so thereafter. If the Association successfully brings an action to extinguish a violation or otherwise enforce the provisions of this Declaration or the Articles of Incorporation or By-Laws of the Association, the costs of such action, including court costs and attorneys' fees, shall become a binding, personal obligation of the Owner committing or responsible for such violation, and such costs shall also be a lien upon the Lot of such Owner, and shall be collected and enforced in the same manner as assessments as provided in Article IV herein.

Without limiting the generality of the foregoing, and in addition to any other remedies available, the Association, after providing the Owner with reasonable written notice, may enter any Lot to remedy any violation of the provisions of this Declaration, the Articles of Incorporation and the By-Laws; provided, however, that the Association may not enter the interior of any dwelling except in an emergency. The costs of such action, including any resulting attorneys' fees, shall become a binding, personal obligation of the Owner otherwise responsible for such violation and shall also be a lien upon the Lot of such Owner and shall be collected and enforced as hereinabove provided.

Section 5. Severability. Invalidation of any one of these covenants or restrictions by court order, or because such covenants or restrictions violate any valid Federal, State or County or City ordinance or any regulation, directive or order of any Agency thereof, shall in no way affect any other provisions which shall remain in full force and effect.

Section 6. Duration and Amendment. Except where permanent easements or other permanent rights, responsibilities, duties or interests are herein created, the covenants and restrictions contained herein shall run with the land and shall be binding on all Owners and all persons and entities claiming under them for a term of twenty (20) years from the date the Declaration is recorded, after which time they shall be automatically extended

for successive periods of ten (10) years each. At such time as the Grace Harbour Homeowner Association has been turned over to the Lot Owners residing on said Lots pursuant to Article II, Section 2 (i.e. when the Class B Membership terminates) this Declaration may be amended by the recordation among the Land Records of Harford County of an amendment instrument signed by the President or Vice-President of the Association, accompanied by a certificate of the Secretary of the Association stating that the amendment was approved by the vote of not less than sixty-seven percent (67%) of the votes entitled to be cast. Such certificate shall be conclusive evidence of the Members' approval of such amendment. An amendment to Article VIII approved as aforesaid, properly executed by the appropriate officer of the Association accompanied by the hereinabove stated certification and recorded among the Land Records of Harford County, Maryland need not have the consent of the mortgagees of the Lot Owners to be effective.

Section 7. Transfer of Declarant Power.

(a) Assignment. Any and all of the rights and powers (including discretionary rights and powers) herein reserved by or conferred upon Declarant may be assigned or transferred by Declarant in whole, or subject to limitations, to any one or more persons, corporations or associations agreeing to accept the same, such person to be known as a Successor Declarant. In order to transfer and assign such rights and powers, any such assignment or transfer instrument must be signed by Declarant, expressly state that such rights and powers are being assigned to the Successor Declarant, and shall be recorded among the Land Records of Harford County. Upon recordation thereof, the grantee or grantees of such rights and powers shall thereupon and thereafter have the right to exercise and perform all of the rights and powers reserved by or conferred upon Declarant by this Declaration, except where this Declaration specifically reserves certain rights and powers for Declarant only.

Section 8. Annexation of Real Property.

a. Phasing. Declarant may annex any of the Property described in Exhibit A by any of the methods set forth herein for a period of ten (10) years following the date of recordation of this Declaration without the consent of the Members of the Association. Declarant intends to develop the Property on a phased basis. However, Declarant may elect not to develop all or any part of such real property, to annex such real property to this Declaration in increments of any size whatsoever, or to develop more than one such increment at any given time and in any given order. Although Declarant shall have the right to annex the Property as provided in this Article, Declarant shall not be obligated to annex all or any portion of the Property. Moreover, Declarant reserves the right to subject any of the Property which is not subject to the provisions of this Declaration to one or more separate declarations of covenants, conditions and restrictions and to subject such property to the jurisdiction and power of the Community Association or to another nonprofit mutual benefit corporation or other entity with powers and obligations similar to the Community Association.

All or any part of the Property may be annexed to and become subject to this Declaration and subject to the jurisdiction of the Community Association by Declarant without the approval, assent or vote of the Community Association or its Members, provided that:

(i) Before annexation of any of the Annexable Property that is being developed as a phased Federal Housing Administration ("FHA") and/or Veterans Administration ("VA") project it shall be determined that such annexation plans are in accordance with the previously approved general plan and are approved, in writing, by the FHA and/or VA; and

(ii) Each Supplementary Declaration effecting the Annexation contemplated under this Section must be executed by Declarant.

Declarant may transfer all or any portion of the Property to

a Builder under a deed wherein Declarant reserves the right to annex such property and subject it to this Declaration. The restriction on the property described in Exhibit A wherein it may be made subject to this Declaration upon the recordation of a Supplementary Declaration is hereby declared to be an equitable servitude upon the Property in favor of the Property subject to this Declaration and any other real property owned by Declarant in the vicinity of the Property and shall run with the land and be binding on and inure to the benefit of all parties having or acquiring any right title or interest, in such real property.

b. Annexation Pursuant To Approval. Upon the expiration of the Declarant's power to annex the Property in accordance with the provisions herein, or if any person desires to subject property other than the property described on Exhibit A to this Declaration and to the jurisdiction of the Community Association, then such property may be annexed, if the vote or written assent of sixty-seven percent of the total voting power residing in Members of the Community Association other than Declarant and Builders is obtained. The recordation of a Supplementary Declaration shall constitute and effectuate the annexation of the real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Community Association; and thereafter said annexed real property shall be part of the Property and subject to all of the terms and provisions of this Declaration. If the vote or written assent of a certain percentage of Members is required to annex any property as provided for above, then the recordation of a Supplementary Declaration certified to by the President or Vice-President and Secretary or Assistant Secretary shall constitute and effectuate the Annexation of said real property and for the purpose of recording any such instrument, and each Owner hereby grants to the President or the Vice-President and Secretary or Assistant Secretary of the Community Association an irrevocable power of attorney for and on behalf of each and every Owner in certifying, executing and recording said instrument.

c. Supplementary Declarations. Supplementary Declarations contemplated above may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the plan of this Declaration. In no event, however, shall any such Supplementary Declaration or any merger or consolidation revoke, modify or add to the covenants established by this Declaration, discriminate between some Owners of such Property and other Owners of any other Property within the Grace Harbour Community except as provided herein, change the general common plan created by this Declaration, or affect the provisions hereof or thereof as covenants running with the land or equitable servitudes. The express desired intention of Declarant is to establish a cohesive plan of such covenants and servitudes to be uniformly applicable to the Grace Harbour Community, including those portions added thereto by annexation.

Section 9. FHA-VA Approvals. Notwithstanding anything in this Declaration to the contrary, provided that any Lot is then encumbered by a mortgage which is insured by FHA or guaranteed by VA, and further provided that there are then Class B memberships of the Association outstanding, neither the Members, the Board of Directors, nor the Association shall by act or omission, take any of the following actions without the prior written consent or approval, where required, of the FHA and the VA, as circumstances may require:

(a) change the basic organization of the Association including merger, consolidation, or dissolution of the Association; or

(b) otherwise materially modify or amend any provision of this Declaration, the By-Laws or the Articles of Incorporation of the Association; or

(c) dedicate, convey or mortgage the Common areas.

Section 10. Amendment by Declarant. Notwithstanding anything in this Declaration to the contrary, Declarant reserves

the right to amend this Declaration to conform to any requirements of the VA and/or FHA, or the City of Havre de Grace, without prior approval or joinder by the Owners or their Mortgagees. Any such amendment shall be signed by Declarant, and shall state that it is made pursuant to this Section, and shall be recorded among the Land Records of Harford County.

Section 11. Consents. Any other provision of this Declaration or the By-Laws or Articles of Incorporation of the Association to the contrary notwithstanding, neither the Members, the Board of Directors nor the Association shall, by act or omission, take any of the following actions:

(a) abandon, partition, alienate, release, hypothecate, dedicate, subdivide, encumber, sell or transfer the Common Areas unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and Owners (other than Declarant) representing sixty-seven percent (67%) of the votes in the Association have given their prior written approval; provided, however, that the granting of rights-of-way, easements and the like for public utilities or the dedication or transfer of all or part of the Common Areas to any public agency or authority or for other purposes consistent with the use of the Common Areas by Members of the Association shall not be considered a transfer within the meaning of this Section; or

(b) abandon or terminate this Declaration unless;

i. at least sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and Owners representing ninety percent (90%) of the votes of the Association have given their prior written approval; and

ii. the Association has received the written approval of the City of Havre de Grace for the abandonment or termination of the Association, authorized by the proper city officers

(c) conversion of Lots into Common Areas or vice versa unless sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and Owners representing ninety percent (90%) of the votes of the Association (including the Owners and Eligible Mortgage Holder for the Lot(s) so affected) have given their prior written approval; or

(d) unless the prior written consent of fifty-one percent (51%) of the Eligible Mortgage Holders (based upon the vote for each first mortgage owned) and the requisite number of Owners as provided in Section 6 of this Article VII has been obtained, and subject to the requirements of the City of Havre de Grace, modify or amend any material provision of this Declaration which establishes, provides for, governs or regulates any of the following:

(i) voting rights;

(ii) assessments, assessment liens or subordination of such liens;

(iii) reserves for maintenance of the Common Areas;

(iv) insurance or fidelity bonds;

(v) rights to use of the Common Areas by any Owner, except in accordance with Section 1 of Article III;

(vi) responsibility for maintenance and repairs;

(vii) expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from this Declaration, except in accordance with Section 8 of this Article VII;

(viii) boundaries of any Lot;

(ix) a decision by the Association to establish self management when professional

management had been previously required by an Eligible Mortgage Holder;

(x) leasing of Lots;

(xi) imposition of any restrictions on the rights of an Owner to sell or transfer its Lot;

(xii) any provisions which expressly benefit mortgage holders, Eligible Mortgage Holders or insurers or guarantors.

An addition or amendment to the Declaration shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An Eligible Mortgage Holder who receives a written request to approve such a non-material addition or amendment who fails to submit a response within thirty (30) days shall be deemed to have approved such request.

(e) Substantially modify the method of determining and collecting assessments against an Owner or his Lot as provided in this Declaration, unless at least sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) or Owners (other than the Declarant) of the Lots have given their prior written approval and only after such action has been submitted to and approved by the City of Havre de Grace by the appropriate City Officers;

(f) waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Structures on the Lots, the exterior maintenance of Structures on the Lots, the maintenance of the Common Areas, party walkways or party fences and driveways, or the upkeep of lawns and planting areas within the Property unless at least sixty-seven percent (67%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) or Owners (other than the Declarant) of the Lots have given their prior written approval; or

(g) fail to maintain insurance in accordance with Section 1 of this Article VII, unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based upon one vote for each first mortgage owned) and sixty-seven percent (67%) of the Owners have given their prior written approval.

Section 12. Additional Rights of Mortgagees - Notice. The Association shall promptly notify all Eligible Mortgage Holders who hold first mortgages on any Lot for which an assessment levied pursuant to this Declaration, or any installment thereof, becomes delinquent for a period in excess of sixty (60) days, and the Association shall promptly notify any Eligible Mortgage Holder who holds a first mortgage on any Lot with respect to which any default in any other provision of this Declaration remains uncured for a period in excess of sixty (60) days following the date of such default. Any failure to give any such notice shall not affect the validity or priority of any Eligible Mortgage Holder on any Lot and the protection extended in this Declaration to the holder of any such mortgage shall not be altered, modified or diminished by reason of such failure.

No suit or other proceeding may be brought to foreclose the lien for any assessment levied pureuant to this Declaration except after ten (10) days' prior written notice to the Eligible Mortgage Holder on the Lot which is the subject matter of such suit or proceeding.

Section 13. Condemnation or Eminent Domain. In the event any part of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors of the Association shall give prompt written notice of any such proceeding or proposed acquisition to the Eligible Mortgage Holders. No provision of this Declaration or the Articles of Incorporation or the By-Laws of the Association shall entitle any Member to any priority over the holder of any first mortgage of record on its Lot with respect to the distribution to such Member of the proceeds of any condemnation or settlement relating

to a taking of any part of the Common Areas. All proceeds from a settlement shall be payable to the Association for the benefit of Owners and their mortgage holders. Each Owner, by acceptance of a deed for a Lot, hereby appoints the Association as its attorney-in-fact for negotiating and settling any condemnation or eminent domain proceeding. The Association's power of attorney hereunder is a power coupled with an interest and irrevocable.

ARTICLE IX

USE 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) 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.

(b) Restrictions on Further Subdivision. No Lot upon which a living 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) 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.

(d) 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 it no more than two (2) domestic pets. 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 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.

(e) 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. This provision shall not apply to the Declarant, its assigns or the builders constructing improvements on the Lots during the construction and development of this project.

(f) Vehicles. No vehicle without current license tags, junk vehicle, commercial vehicle, travel trailer, trailer, house trailer, mobile home, recreational vehicle, camper, camp truck, boat or the like shall be kept upon any Lot unless it is placed in a garage and thereby not visible. Only one truck may be kept upon any Lot and it may not exceed three quarter (3/4) ton rated capacity.

(g) 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, except as provided for hereinafter. Outside storage sheds may be permitted as provided for in paragraph 1(q), herein.

(h) Fences. Any fence constructed on the property shall be horizontal rustic, unfinished three rail split rail or similar type fencing, or as approved by the Declarant or Architectural Control Committee, but in no event may it be chain link. No fence shall extend in front of the rear building line of any dwelling. No fence may exceed four (4) feet in height. No privacy or Apache type fencing shall be permitted; however, a tree or shrubbery buffer may be planted along the rear lot line which

shall not be subject to the rear lot line height limitations set forth above.

(i) Residential Use. 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. Dwellings may be used for a Day Care Facility provided such facility is duly licensed and prior approval obtained from the Board of Directors of the Association. This provision shall not apply to the Declarant, its assigns or builders constructing improvements on the Lots during the construction and development of this project.

(j) 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. This provision shall not apply to the Declarant, its assigns or builders constructing improvements on the Lots during the construction and development of this project.

(k) Antenna. No outside television or radio aerial or antenna or other similar aerial, antenna for reception or transmission shall be maintained upon any Lot or dwelling. The use or erection of a microwave or satellite T.V. receiver dish or any similar dish is prohibited.

(l) Solar Panels, Skylights. Solar panels and skylights may be located on a dwelling so long as they are not visible from the front of the Lot.

(m) 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. No plantings shall be allowed in any public or private right-of-way.

(n) Lease of Lot. Any lease agreement between an Owner and a lessee shall provide that the terms of the lease are subject in all respects to the provisions of this Declaration, any appropriate Supplemental Declaration, the Articles of Incorporation ad 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.

(o) Window Covering. Bedsheets, plastic sheets, newspaper and other similar window treatments shall not be hung or placed in any window or any dwelling on any Lot.

(p) Clothes/Drying and Lines. No drying or airing of any clothing, bedding or similar materials shall be permitted outdoors and within any Lot other than within rear yards and between the hour at 8 a.m. and 5 p.m. on Monday through Friday and 8 a.m. and 1 p.m. on Saturday (except when any such days shall fall upon a holiday) and clothes-hanging devices such as lines, reels, poles, frames, etc., shall be stored out of sight other than during the times aforementioned.

(q) Outside Storage Sheds. An outside storage shed may be constructed, upon the prior written approval of the Declarant or Architectural Control Committee as set forth in herein, and only if the shed is attached to the dwelling, constructed of the same material and of the same color as the dwelling. The Declarant or the Architectural Control Committee (if established) shall determine the size of the shed. Prefabricated metal utility sheds and buildings are prohibited.

(r) Swimming Pools. Upon review of the plan by the Declarant or the Architectural Control Committee (if established) and approval thereof a swimming pool is permitted on each Lot provided that the top of the pool does not project above the

finished grade of the lawn area surrounding it.

(s) Outdoor Storage. No outdoor storage of any materials or the repair or dismantling of automotive vehicles or other types of equipment shall be permitted.

(t) Prefabricated Metal Chimneys. Prefabricated metal chimneys may be allowed only if they have a width of not less than thirty-six inches and with prior written approval of the Declarant or the Architectural Control Committee.

(u) Decks. Any decks constructed will be closed in from ground level to the bottom of the deck with lattice or other material approved by the Declarant or Architectural Control Committee, provided, however, if the dwelling is a walk out, lattice shall not be required.

Section 2. Minimum Dwelling Size and Other Dwelling Restrictions.

(a) Any dwelling erected or maintained on any Lot shall meet the following minimum requirements as to size:

(i) One-story house: 1,200 square feet of finished habitable floor area exclusive of open porches, basements, unfinished attics or garages.

(ii) Two-story or story and one-half house: 1,500 square feet of finished habitable floor area exclusive of open porches, basements, unfinished attics or garages.

(iii) Split-level house: 1,200 square feet of finished habitable floor area exclusive of open porches, unfinished basements, attics or garages.

(iv) Bi-level house: 1,200 square feet of finished habitable floor area on the upper level, exclusive of open porches, attics or garages.

(v) One and one-half and two-story Townhomes: 1120 square feet of finished habitable floor area exclusive of open porches, basements, unfinished attics or basements.

(vi) One-story Townhome: 1000 square feet of finished habitable floor area exclusive of open porches, basements, unfinished attics or basement.

Declarant shall have the right to place such additional restrictions on each Lot prior to the time of conveyance as it might deem proper to protect the health, safety and general welfare of the future Owners of the Lots and to promote a common scheme and plan of development. Declarant retains the right to allow variances to those restrictions pursuant to Section 2 hereinabove where the enforcement of a specific restriction on a specific Lot would cause undue hardship and practical difficulty and where such variance would not substantially impair the common scheme and plan of development intended to be promoted herein. However, any such variance shall not result in the waiver of Declarant's right to enforce any future violation of any

Section 3. Architectural Control Committee. Declarant may appoint a Successor Declarant or an Architectural Control Committee to exercise any or all of the rights and powers conferred upon Declarant by this Article. If Declarant resigns its functions under this Article, without having appointed either a Successor Declarant or an Architectural Control Committee, then in such event, the Board of Directors of the Association may appoint an Architectural Control Committee. The Architectural Control Committee shall be comprised of three (3) Members, to be appointed either by Declarant or by the Association, as applicable, who shall have all the powers vested in Declarant under this Article, including, but not limited to, the power to approve plans for all Structures on the Lots including, but not limited to, houses, additions or alterations to houses, fences, storage sheds, decks, fireplaces, etc. in accordance herewith. No Owner shall construct any Structure on any Lot until the plans have been approved in accordance herewith.

Section 4. Provisions Not Applicable To Declarant. Notwithstanding any provision of this Declaration to the contrary, the provisions of this Article IX shall not be applicable to Declarant or any Lot owned by Declarant. The fact that any such Section of this Article IX contains an express exemption for Declarant is not to be taken to imply that other Sections might

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apply to Declarant. A Successor Declarant shall not be exempt from complying with all of the provisions of this Article IX unless an instrument signed by Declarant, expressly exempting the Successor Declarant from the obligation of complying with such provisions, has been recorded among the Land Records of Harford County.

The Declarant, its appointed Successor Declarant or the Architectural Control Committee (if established) shall review all plans and specification for the improvements and other structures to be constructed on the Lots. The Declarant, its appointed Successor Declarant or the Architectural Control Committee has the right to refuse any such plans or specifications which are not suitable or desirable in its sole opinion for aesthetic or other reasons, and in so passing upon such plans and specifications it (they) shall have the right to take into consideration the use and suitability of the proposed Structures, additions, alterations and location thereof, and of the materials of which it is to be built, the site upon which it is proposed to erect the same, the harmony of external design and location with the surroundings (including the design and location with the surroundings (including the surrounding topography and other Structures), and the effect of the Structures as planned on the outlook from adjacent or neighboring property. Such plans and specifications shall be sent to: Declarant, c/o Jerome Collidge; or to any appointee of Declarant or to the Architectural Control Committee (if established). An exterior addition or change or alteration made without application having first been made and approval obtained as provided above shall be deemed to be in violation of this covenant and the addition, change or alteration made without application may be required to be restored to the original condition at the Owner's cost and expense. In any event, no such exterior addition to or change or alteration shall be made without approvals and permits therefor having first been obtained by the Owner from the applicable public authorities.

ARTICLE X

EASEMENTS

Declarant hereby declares and reserves the following easements and rights:

(a) Easements of varying width for drainage and drainage swales and the installation and maintenance of utilities, storm water sewers, surface drains and storm water management devised, and access as shown, located and designated on all of the plats as Drainage, Utility & Access Easements (the "Access Easements"). With respect to drainage, the Access Easements shall also be for the benefit of each Lot, to allow for the drainage of surface water across common Lot lines of adjoining Lots. Within the Access Easements, no improvements or construction activities of any type or nature, including fences, shall be permitted, nor shall planting or other material be placed or permitted to remain thereon which may damage or interfere with the installation of, and access to, and maintenance of utilities, or which may change the direction of flow of drainage channels, or which may constrict or retard the flow of water through drainage channels or storm water management devices, or which may obstruct the Access Easements for access purposes, as hereinafter set forth. The Access Easement of each Lot shall be maintained in a neat and attractive manner continuously by the Owner of the Lot, including, without limitation, any maintenance and repairs required by the City of Havre de Grace to maintain the proper functioning of any storm water management devices located within such area, except for (i) maintenance for which a public authority or utility company is responsible, and (ii) maintenance for which the Association is responsible, as hereinafter set forth. No conveyance by Declarant of any of the Lots, or of any interest therein, shall be deemed to be, or construed as, a conveyance or release of any of the Access Easements, even though said conveyance purports to convey the Lot or Lots in fee simple, or by other language purports to convey Declarant's entire interest therein; such effect shall only arise

if the said conveyance expressly and specifically recites it to be the intention of Declarant to thereby convey or release the Access Easement. Likewise, (restating and reaffirming the operation and effect of the previously recited Articles) each and every conveyance of the Lots or any of them, or of any interest in the Lots, or any of them by Declarant shall be deemed and understood to be also subject to all of the aforesaid covenants, conditions, restrictions, reservations, liens and charges (and to any other applicable restrictions now of record), whether or not the conveyance shall so state.

(b) For the Access Easements and the Storm Water Management Areas, an easement for ingress and egress for the benefit of the City of Havre de Grace or its agents and employees, for purposes of inspecting and, if necessary, repairing storm water management devices located thereon.

(c) An easement ten feet (10') in width, for the benefit of Declarant and/or the Association, along (i) the property line of the Lots and Common Areas adjacent to any public street or highway for the installation and maintenance of wood and brick fencing (along Route 155 and Chapel Road only), and, landscaping. The Association shall be responsible, as a common expense of the Association, for the maintenance and care of such brick and wood fencing and landscaping, and shall maintain the same in a neat and orderly fashion so as to enhance the character and appearance of the aforesaid Lots and the Property as a whole. To effectuate the foregoing, the Association, its agents, employees and servants shall have the right to access at all reasonable times to the Landscaping Easement area. The Owners of such Lots may not remove or otherwise damage or injure such brick and wood fencing or landscaping and the cost of restoration for any such action shall be the personal obligation of the Owner of such Lot; such restoration costs to be collected and enforced in accordance with Article IV herein. The Owner of each Lot subject to this easement shall be responsible for all maintenance in the easement area, saving and excepting the Association's maintenance obligations as

hereinabove set forth, and shall maintain such areas in accordance with the terms of this Declaration.

(d) For a period of ten (10) years from the date of conveyance of the first Lot, Declarant reserves a blanket easement and right on, over and under the Property to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. 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 actions reasonably necessary, following which Declarant shall restore the affected part of the Property to its original condition as nearly as practicable. Declarant shall give reasonable notice of intent to take such action to all affected Owners, unless in the opinion of Declarant an emergency exists which precludes such notice. Declarant further reserves the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property in furtherance of the blanket easement created by this subsection (d).

IN WITNESS WHEREOF, the parties hereto have caused this Declaration to be properly executed, as of the day and year first written.

REVIEWED AND APPROVED FOR CONTENT
AND LEGAL SUFFICIENCY

Frederick J. Hatem, Jr.
City Attorney

WITNESS:

DECLARANT:

WOODFIELD DEVELOPMENT CO.
GENERAL PARTNER OF GRACE HARBOUR
LIMITED PARTNERSHIP

BY: Jerome Collidge, President

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

I HEREBY CERTIFY that on this 21 day of November, 1991, before me, a Notary Public of the State of Maryland, personally appeared Jerome Collidge, who acknowledged himself to be President of Woodfield Development Co., General Partner of the Declarant, Grace Harbour Limited Partnership, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Declaration, and acknowledged that he executed the same as the act and on behalf of Woodfield Development Co., General Partner of Grace Harbour Limited Partnership, Declarant.

WITNESS my hand and Notarial Seal.

STUART C. RESNICK NOTARY PUBLIC BALTIMORE CO., MD.

Notary Public

My Commission Expires:

STUART C. RESNICK
My Commission Expires June 1, 1994

WITNESS:

Alleck A. Resnick, Trustee

J. Michael Millard, Trustee

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

I HEREBY CERTIFY that on this 20 day of November, 1991, before me, a Notary Public of the State of Maryland, personally appeared Alleck A. Resnick and J. Michael Millard, Trustees, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within Declaration, and acknowledged that they, being authorized to do so, executed the same in their capacity as Trustees for the benefit of Baltimore Savings & Loan Association, the Lender, for the purposes therein contained.

WITNESS my hand and Notarial Seal

STUART C. RESNICK NOTARY PUBLIC BALTIMORE CO., MD.

Notary Public

My Commission Expires:

STUART C. RESNICK
My Commission Expires June 1, 1994

WITNESS:

BALTIMORE SAVINGS & LOAN ASSOCIATION

By: J. Michael Millard, Vice-President

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

I HEREBY CERTIFY that on this 20 day of November, 1991, before me, a Notary Public of the State of Maryland, personally appeared J. Michael Millard, who acknowledged himself to be a Vice-President of Baltimore Savings & Loan Association, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Declaration, and acknowledged that he, being authorized to do so, executed the same in his capacity as Vice-President of said corporation on behalf of said corporation for the purposes therein contained.

WITNESS my hand and Notarial Seal.

STUART C. RESNICK NOTARY PUBLIC BALTIMORE CO., MD.

Notary Public

My Commission Expires:

STUART C. RESNICK
My Commission Expires June 1, 1994

WITNESS:

STEPHEN HOMES, INC.

By: Donald R. Stephen, President

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

I HEREBY CERTIFY that on this 19 day of November, 1991, before me, a Notary Public of the State of Maryland, personally appeared Donald R. Stephen, who acknowledged himself to be the President of Stephen Homes, Inc., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Declaration, and acknowledged that he, being

authorized to do so, executed the same in his capacity as President of said corporation on behalf of said corporation for the purposes therein contained.

WITNESS my hand and Notarial Seal.



Mary L. Craig
Notary Public

My Commission Expires: April 1, 1992

AMENDED
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR MAINTENANCE OF
A COMMON DRIVE FOR LOTS 434 435
PLAT 2, GRACE HARBOUR

This Amended Declaration is made this 9th day of November, 1989, by Grace Harbour Limited Partnership hereinafter referred to as "Declarants."

WHEREAS, The Declarants are fee simple owners of Lots 434 and 435, as shown on a plat entitled "Plat 2, Grace Harbour" which plat is intended to be recorded among the Land Records of Harford County at Plat Book Liber 69 folio 41, by virtue of a deed dated June 3, 1988, from George C. Pensell & Alice M. Pensell, his wife, said deed being recorded among the Land Records of Harford County in Liber C.G.H. 1476, folio 581.

WHEREAS, Declarant desires to create a common driveway easement to serve for the mutual benefit of Lots 434 & 435 as shown on the aforesaid plat; and to provide for the continued maintenance of said common driveway.

NOW, THEREFORE, Declarant hereby declares that these lots shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of the lots and which shall run with the lots and be binding on all parties having any right, title or interest in the described lots or any part thereof, their personal representatives, heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

Declarant, intending to provide for the use of the

driveway easement area for ingress and egress for each of the lots to Teal Court, hereby create an easement and right-of-way for the purpose of ingress and egress and normal driveway purposes within the driveway easement area. Said easement being described as: "Common Driveway Easement," as shown on the above mentioned plat.

The easements reserved herein are for the benefit of the owner of each of the lots, their heirs, personal representatives, successors and assigns, and shall be appurtenant to each of the lots. The easements are reserved for use in common by the owners of each of the lots, members of their household, their invitees, lessees, agents or contractors.

No one shall place anything in or anything to remain in the driveway easement area which would interfere with the use of the driveway and the driveway easement area for purposes of ingress and egress.

All costs of initial construction shall be the responsibility of the Declarants. Maintenace costs, including but not limited to snow removal and surface maintenance to be shared equally by the owners of Lots 434 and 435.

The Owners, by unanimous consent, may agree to discontinue or amend any or all of the above provisions. Any amendment or termination must be recorded among the Land Records of Harford County in order to be effective.

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have hereunto set their hands and seals this 6th day of November, 1989.

GRACE HARBOUR LIMITED PARTNERSHIP

Witness:

David Gonzales

STATE OF MARYLAND, COUNTY OF HARFORD, SCT:

I HEREBY CERTIFY that on this 9th day of December, 1989, before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared David Gonzales, who acknowledged himself to be the Declarant named in the foregoing Declaration of Covenants, Conditions and Restrictions and that he executed the same for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.

Notary Public

My Commission expires: 7/1/90

REC'D FOR RECORD NO 1613 FOLIO 976
1990 MAR -8 PM 3:08
CLERK OF THE CIRCUIT COURT
HARFORD COUNTY, MD.

BK 1613 PG 0972

AMENDED
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR MAINTENANCE OF
A COMMON DRIVE FOR LOTS 33 & 34
PLAT 13, GRACE HARBOUR

This Amended Declaration is made this 9th day of November, 1989, by Grace Harbour Limited Partnership hereinafter referred to as "Declarants,"

REC FE 13.00
RECORDED IN LIBER 1613 FOLIO 115:08
03/08/90

WHEREAS, The Declarants are fee simple owners of Lots 33 and 34, as shown on a plat entitled "Plat 13, Grace Harbour, which plat is intended to be recorded among the Land Records of Harford County at Plat Book Liber 69 folio 52, by virtue of a deed dated June 3, 1988, from George C. Pensell & Alice M. Pensell, his wife, said deed being recorded among the Land Records of Harford County in Liber C.G.H. 1476, folio 581.

WHEREAS, Declarant desires to create a common driveway easement to serve for the mutual benefit of Lots 33 & 34 as shown on the aforesaid plat; and to provide for the continued maintenance of said common driveway.

NOW, THEREFORE, Declarant hereby declares that these lots shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of the lots and which shall run with the lots and be binding on all parties having any right, title or interest in the described lots or any part thereof, their personal representatives, heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

Declarant, intending to provide for the use of the

driveway easement area for ingress and egress for each of the lots to Gadwall Court, hereby create an easement and right-of-way for the purpose of ingress and egress and normal driveway purposes within the driveway easement area. Said easement being described as: "Common Driveway Easement," as shown on the above mentioned plat.

The easements reserved herein are for the benefit of the owner of each of the lots, their heirs, personal representatives, successors and assigns, and shall be appurtenant to each of the lots. The easements are reserved for use in common by the owners of each of the lots, members of their household, their invitees, lessees, agents or contractors.

No one shall place anything in or anything to remain in the driveway easement area which would interfere with the use of the driveway and the driveway easement area for purposes of ingress and egress.

All costs of initial construction shall be the responsibility of the Declarants. Maintenace costs, including but not limited to snow removal and surface maintenance to be shared equally by the owners of Lots 33 and 34.

The Owners, by unanimous consent, may agree to discontinue or amend any or all of the above provisions. Any amendment or termination must be recorded among the Land Records of Harford County in order to be effective.

IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have hereunto set their hands and seals this 9th day of November, 1989.

GRACE HARBOUR LIMITED PARTNERSHIP

Witness:

David Gonzales

STATE OF MARYLAND, COUNTY OF HARFORD, SCT:

I HEREBY CERTIFY that on this 9th day of November, 1989, before me, the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared David Gonzales, who acknowledged himself to be the Declarant named in the foregoing Declaration of Covenants, Conditions and Restrictions and that he executed the same for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.

Notary Public

My Commission expires: 7/1/90

RECD & RECORDED
NO 613 FOLIO 973

1990 MAR -8 PM 3:08

CLERK

LIBER 613 FOLIO 975

REC FE 51.00

SURCHG 2.00

ABANDONMENT OF RIGHT OF WAY AND RIGHT OF WAY AGREEMENT

CASE 60 53.00
#140290 C003 R01 09:10

05/26/92

THIS ABANDONMENT OF RIGHT OF WAY AND RIGHT OF WAY AGREEMENT, Made this 26th day of May, 1992, by and between GRACE HARBOUR LIMITED PARTNERSHIP, a Maryland Limited Partnership (hereinafter "GRACE"), J. MICHAEL MILLARD and ALLECK A. RESNICK, Trustees for BALTIMORE SAVINGS & LOAN ASSOCIATION, F.A.; and GEORGE G. PENSELL and BARBARA B. PENSELL, his wife (hereinafter the "PENSELLS").

WHEREAS, GRACE is the fee simple owner of a tract of land located in Havre de Grace, Maryland (the "GRACE TRACT") by virtue of a Deed from George C. Pensell and Alice M. Pensell dated June 3, 1988 and recorded among the Land Records of Harford County, Maryland in Liber No. 1476, folio 581; and

WHEREAS, the PENSELLS are the fee simple owners of a 4.24 acre parcel (the "PENSELL TRACT") situated contiguous to the GRACE tract by virtue of a Deed dated November 30, 1973 from George C. Pensell, et al ("the PENSELL DEED") and recorded among the Land Records of Harford County in Liber No. 943, folio 928; and

WHEREAS, the PENSELL DEED contains a grant of a fifty foot (50') easement over what is now the GRACE tract as more particularly described therein; and

WHEREAS, after request by GRACE the PENSELLS have agreed to abandon their rights in and to said fifty foot (50') right of way in exchange for certain considerations given them by GRACE; and

WHEREAS, the Trustees join herein to subordinate the operation and effect of the lien of their Trust to this Agreement and Baltimore Savings & Loan Association, F.A. joins herein for the purpose of ratifying the acts of its Trustees.

WHEREFORE these presents are executed.

NOW, THEREFORE, in consideration of the payment of Five Thousand Dollars ($5,000.00) by GRACE to the PENSELLS and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The PENSELLS hereby abandon and extinguish their rights

in and to the fifty foot (50') right of way created by Deed dated November 30, 1973 and recorded among the Land Records of Harford County, Maryland in Liber No. 943, folio 928 as if said right of way had never existed and further abandon any perceived right or claim to the use of any other right of way or easement to which the PENSELLS may believe they have over the GRACE tract by grant, right, necessity or prescription.

2. GRACE hereby grants and conveys the following two (2) rights of way to George G. Pensell and Barbara B. Pensell, his wife, as tenants by the entireties, the survivor of them, and their respective personal representatives, heirs and assigns. Right of Way Number 1 shall be an easement twenty feet (20') wide and shall run from Canvasback Drive over the Open Space lot located west of Lot 317 and pass the rear of Lots 312 through 316 on the Amended Plat 16 of the GRACE TRACT and is more particularly described on Exhibit "A" attached hereto and made a part hereof and shown on Exhibit "B" attached hereto and made a part hereof. Right of Way Number 2 shall be in fee simple and shall be fifty feet (50') wide and shall run from Decoy Drive through the Open Space Lot .3705 acres, the easterly line of said right of way being contiguous to the westerly line of Lot No. 349 on Amended Plat 9 of Grace Harbour, the right of way being more particularly described on Exhibit "C" attached hereto and made a part hereof and shown on Exhibit "D" attached hereto and made a part hereof.

3. GRACE covenants to improve a ten foot (10') wide length of the twenty foot (20') wide right of way with a stone base and macadam finish upon the full execution hereof.

4. The PENSELLS shall bear the full, absolute and total responsibility for the maintenance and upkeep of both rights of way including, but not limited to, the cost of the continuing maintenance of the improved road surface within the twenty foot (20') right of way, snow removal and grass cutting.

5. Right of Way Number 1 shall be for the exclusive perpetual use by the PENSELLS, the survivor of them, their personal representatives, heirs and assigns, and their respective family

MR 835 MD 193

members, tenants, agents, employees, guests and invitees. This right of way may only be abandoned or extinguished by the recordation of an appropriate instrument or instruments among the Land Records of Harford County, Maryland, executed by all persons or entitles who then own the PENSELL TRACT or any part thereof.

6. GEORGE G. PENSELL and BARBARA B. PENSELL covenant and agree for themselves, the survivor of them, and their respective personal representatives, heirs and assigns, that they will not further develop or subdivide the PENSELL TRACT for a period of three (3) years from and after the date of this instrument.

7. The rights, privileges, obligations and responsibilities created herein shall burden, benefit, run with, and be binding on the GRACE tract and shall both benefit and burden, be binding on and run with the PENSELL tract.

IN WITNESS WHEREOF the respective hands and seals of the parties hereto on the day and year first above written.

WITNESS:

GRACE HARBOUR LIMITED PARTNERSHIP
BY: WOODFIELD DEVELOPMENT CO.
General Partner

BY: _____
David E. Gonzales, Vice President

WITNESS:

_____
J. Michael Millard, Trustee

WITNESS:

_____
Alleck A. Resnick, Trustee

WITNESS:

BALTIMORE SAVINGS & LOAN ASSOCIATION, F.A.

BY: _____
J. Michael Millard, President

WITNESS:

_____
George G. Pensell

WITNESS:

_____
Barbara B. Pensell

EXHIBIT A

CATRON & WILSON ASSOC., INC.

LAND SURVEYORS

1419 S. FOUNTAIN GREEN ROAD
BEL AIR, MARYLAND 21014

(301) 734-7162

PARTICULAR DESCRIPTION
Land Of

GEORGE C. PENSELL AND ALICE M. PENSELL

located
Sixth Election District 26 January 1988
Harford County, Maryland File #87160

BEGINNING FOR THE SAME at a concrete monument heretofore set on the southerly right of way line of Maryland Route 155 as shown on Maryland State Roads Commission Right of Way Plat No. 19575, said concrete monument also being at the beginning of the 1st or South 04°37'08" East 2518.18 foot line of that tract of land conveyed by and described in a deed from Lewis Wills McConnell, et al to George C. Pensell and Alice M. Pensell, his wife, dated 5 August 1968 and recorded among the Land Records of Harford County in Liber G.R.G. 791 page 178, running thence and binding on the 1st through the 5th lines of said deed with the bearings herein being referred to the State Plane Coordinate system of Maryland, Grid North, the five following courses and distances as now survey, viz;

1) South 17° 25'23" East 2517.20 feet to a stone heretofore set;

2) South 88° 03'26" West 83.47 feet to a concrete monument heretofore set;

3) South 89° 15'58" West 162.98 feet to an iron pin now set between a separated stone;

4) South 08° 25'40" East 795.07 feet to a stone heretofore set on the northerly side of Chapel Road, and continuing this same direction;

5) South 08° 25'40" East 30.92 feet to a point in or near the center of said road, running thence and binding on or near the center of said road;

6) South 76° 14'33" West 606.21 feet to the easterly end of the right of way line of Chapel Road as shown on a plat entitled "Plat 1, Section One, Shawnee Brooke South" and recorded among the Plat Records of Harford County in Plat Book H.D.C. 42 folio 105,

running thence and binding on said right of way line the six following courses and distances as now surveyed viz;

7) North 13°50'23" West 30.00 feet;

8) South 76° 09'37" West 300.00 feet to a point of curve;

9) Southwesterly by a line curving to the left having a radius of 2352.00 feet for an arc distance of 262.52 feet, said curve being subtended by a chord bearing South 72° 57'45" West 262.38 feet to a point of tangent;

10) South 69° 45'54: West 89.01 feet to a point of curve;

11) Southwesterly by a line curving to the right having a radius of 545.00 feet for an arc distance of 209.02 feet, said curve being subtended by a chord bearing South 80° 45'08" West 207.74 feet to a point of tangent and;

12) North 88 °15'38" West 90.43 feet to intersect the easterly right of way line of Shawnee Brooke Drive, running thence and binding on said easterly right of Way line the six following courses and distances as now surveyed, viz;

13) North 50° 32'44" West 23.73 feet;

14) North 12° 49'06" West 12.99 feet to a point of curve;

15) Northwesterly by a line curving to the left having a radius of 471.00 feet for an arc distance of 74.86 feet, said curve being subtended by a chord bearing North 17° 22'17" West 74.78 feet to a point of tangent;

16) North 21° 55'29" West 260.51 feet to a point of curve;

17) Northwesterly by a line curving to the right having a radius of 646.87 feet for an arc distance of 76.92 feet, said curve being subtended by a chord bearing North 18°31'29" West 76.87 feet to a point of tangent, and

18) North 15° 06'44" West 263.88 feet to an iron pin now set at the southwest most corner of Lot 18 as shown on a plat entitled "Plat 2 Section One Shawnee Brooke South" and recorded among the aforesaid Plat Records in Plat Book H.D.C. 42 folio 106 running thence and binding on part of the outline of said plat the 10 following courses and distances as now surveyed, viz;

19) North 74° 53'16" East 573.19 feet to an iron pin now set;

20) North 24° 06'23" East 285.88 feet to an iron pin now set;

21) North 39° 55'13" West 620.00 feet to an iron pin now set;

LIBER 1762 FOLIO 0710

22) North 50° 04'47" East 45.00 feet to an iron pin now set;

23) North 39° 55'13" West 272.00 feet to an iron pin now set;

24) South 50° 04'47" West 125.00 feet to an iron pin now set;

25) North 39° 55'13" West 178.00 feet to an iron pin now set;

26) South 52° 12'11" West 253.41 feet to an iron pin now set;

27) South 38° 39'05" West 334.93 feet, and;

28) North 67° 13'52" West 99.09 feet to an iron pin now set in the 14th line of the aforesaid deed, running thence and binding on the remainder of said 14th line as now surveyed;

29) North 13° 33'16" East 248.68 feet to an iron pin heretofore set by a fallen stone, running thence and binding on part of the 15th line of the aforesaid deed as now surveyed;

30) North 24° 23'51" West 366.20 feet to an iron pin now set at the end of the 4th or South 64° 57'47" West 325.61 foot line of that parcel of land conveyed by and described in a deed from Lewis Wills McConnell et al to George C. Pensell and Alice M. Pensell, his wife dated 30 November 1973 and recorded among the aforesaid Land Records in Liber H.D.C. 943 page 928, running thence and binding reversely on the 4th, 3rd, 2nd and 1st lines of said deed the four following courses and distances as now surveyed, viz;

31) North 52° 18'30" East 325.61 feet to an iron pin now set;

32) North 08° 37'11" East 325.05 feet to an iron pipe heretofore set;

33) North 64° 51'31" West 239.21 feet to an iron pipe heretofore set, and;

34) South 52° 34'00" West 347.73 feet to an iron pin now set to intersect the aforesaid 15th line of the aforesaid deed recorded in Liber G.R.G. 791 page 178, running thence and binding on the remainder of said 15th and all of the 16th through the 18th lines of said deed the 4 following courses and distances as now surveyed, viz;

35) North 24° 23'50" West 119.00 feet to a stone heretofore set;

36) North 23° 55'19" West 644.88 feet to a stone heretofore set;

37) North 32° 38'45" East 789.84 feet to a stone heretofore

LIBER 1762 FOLIO 711

set;

38) North 32° 38'45" East 35.57 feet to a concrete monument heretofore set on a southerly right of way line of the aforesaid Maryland Route 155 as shown on the State Roads Commission of Maryland Right of Way Plat No. 19577, running thence and binding on said right of way line as shown on Plats 19575, 19576, and 19577, the two following courses and distances as now surveyed, viz;

39) Southeasterly by a line curving to the left having a radius of 2310.60 feet for an arc distance of 1433.10 feet, said curve being subtended by a chord bearing South 79° 43'23" East 1410.24 feet to a point of reverse curve;

40) Southeasterly by a line curving, to the right having a radius of 989.14 feet for an arc distance of 465.23 feet, said curve being subtended by a chord bearing South 84° 01'03" East 460.95 feet to the beginning hereof containing 148.029 acres of land, more or lese as surveyed by Catron and Wilson Associates, Inc. in January 1988.

LIBER 1762 FOLIO 712

A portion of the tract described above has been subdivided, and is now more particularly known and designated as follows:

BEGINNING FOR THE FIRST and being known and designated as Lot Nos. 123 thru 140, inclusive, Lot Nos. 406, 425 and 426, the beds of Canvasback Drive, Ruddy Court and Teal Court the Open Space Lot 1.3872 Acres, more or less, and the Open Space lot 0.389 acres more or less, as shown on the Plat entitled "PLAT 1, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 40.

BEGINNING FOR THE SECOND and being known and designated as Lot Nos. 407 thru 424, inclusive, Lot Nos. 427 thru 435, inclusive, the bed of Teal Court and the Open Space Lot 3.1625 acres, more or less, as shown on the Plat entitled "PLAT 2, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 41.

BEGINNING FOR THE THIRD and being known and designated as Lot Nos. 105 thru 122, inclusive, Lot Nos. 392, 398, 399, 405, the beds of Snowgoose Court, Canvasback Drive, Tern Court and Swan Court and the Open Space Lot 1.8630 acres, more or less, as shown on the Plat entitled "PLAT 3, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Liber No. 69, folio 42.

BEGINNING FOR THE FOURTH and being known and designated as Lot Nos. 372 thru 376, inclusive, 384 thru 390, 393 thru 397, inclusive, 400 thru 404, inclusive, and the beds of Brant Court, Tern Court, and Swan Court as shown on the Plat entitled "PLAT 4, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 43.

BEGINNING FOR THE FIFTH and being known and designated as Lot Nos. 100 thru 104, inclusive, 141 thru 144, inclusive, Lot Nos. 148 thru 153, inclusive, Lot Nos. 161, 197, 371, 391 and the beds of Scaup Court, Bufflehead Drive, Woodduck Drive, Brant Court and Canvasback Drive as shown on the Plat entitled "PLAT 5, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 44.

BEGINNING FOR THE SIXTH, and being known and designated as Lot Nos. 89 thru 99, inclusive, Lots Nos. 145, 146, 147, 162 the Open Space Lot .6476 acres, more or less and the beds of Woodduck Drive, Bufflehead Drive and Pintail Drive as shown on the Plat entitled "PLAT 6, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 45.

LIBER 1762 FOLIO 0713

BEGINNING FOR THE SEVENTH and being known and designated as Lot Nos. 83 thru 88, inclusive, Lot Nos. 154 thru 160, inclusive, Lot Nos. 163 thru 166, inclusive, and the beds of Scaup Court and Pintail Drive as shown on the Plat entitled "PLAT 7, GRACE HARBOUR", which Plat is recorded among the Land Records of harford County in Plat Book No. 69, folio 46.

BEGINNING FOR THE EIGHTH and being known and designated as Lot Nos. 188 thru 196, inclusive, Lot Nos. 360 thru 365, inclusive, Lot No. 370, Lots Nos. 377 thru 383, the Open Space Lot 2.8824 acres, more or less and the beds of Canvasback Drive, Brant Court and Eider Court, as shown on the Plat entitled "PLAT 8 GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 47.

BEGINNING FOR THE NINTH and being known and designated as Lot No. 333, Lot No. 334, Lots Nos. 346 thru 358, inclusive, the Open Space Lot 2.1091 acres, more or less, the Open Space Lot .3705 acres, more or less, and the Beds of Widgeon Drive, Decoy Drive and Drake Court as shown on the Plat entitled "PLAT 9, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 48.

BEGINNING FOR THE TENTH and being known and designated as Lot Nos. 22, 23, 182 thru 187, inclusive, Lots Nos. 323 thru 332, inclusive, Lot No. 359, Lots Nos. 366 thru 369, inclusive and the Beds of Seagull Drive, Canvasback Drive, Decoy Drive, Eider Court and Barrows Court as shown on the Plat entitled "PLAT 10, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 49.

BEGINNING FOR THE ELEVENTH and being known and designated as Lots Nos. 51 thru 61, inclusive, Lots Nos. 67 thru 72, inclusive, Lots Nos. 175 thru 180, inclusive, the Open Space Lot 2.9908 acres, more or less, and the beds of Goldeneye Court and Pintail Drive as shown on the Plat entitled "PLAT 11, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 50.

BEGINNING FOR THE TWELFTH and being known and designated as Lot Nos. 10 thru 21, inclusive, Lots Nos. 47 thru 50, inclusive, Lot Nos. 62 thru 66, inclusive, Lot No. 181, and the beds of Pintail Drive, Goldeneye Court, Seagull Drive, and Greenwing Court as shown on the Plat entitled "PLAT 12, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 51.

LIBER 1762 10007 14

BEGINNING FOR THE THIRTEENTH and being known and designated as Lot No. 1, Lots No. 9, Lot Nos. 24 thru 46, inclusive, the Open Space Lot .9690 acres, more or less, and the beds of Gadwall Court, Ringneck Court, Squall Court, and Seagull Drive as shown on the Plat entitled "PLAT 13, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 52.

BEGINNING FOR THE FOURTEENTH and being known and designated as Lot Nos. 2 thru 8, inclusive, Lot Nos. 228 thru 242, inclusive, Lot Nos. 249 thru 272, inclusive, Open Space Lot .4760 acres, more or less, Open Space Lot 1.1720 acres, more or less, and the beds of Hunter Court, Canvasback Drive, Blue Bill Court and Ringneck Court as shown on the Plat entitled "PLAT 14, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 53.

BEGINNING FOR THE FIFTEENTH and being known and designated as Lot Nos. 198 thru 227, inclusive Lot Nos. 335 thru 345, inclusive, Open Space Lot .4708 acres, more or less, Open Space Lot .8164 acres, more or less, and the beds of Heron Drive, Canvasback Drive and Widgeon Drive as shown on the Plat entitled "PLAT 15, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 54.

BEGINNING FOR THE SIXTEENTH and being known and designated as Lot Nos. 243 thru 248, inclusive, Lot Nos. 273 thru 322, inclusive, Open Space Lot 3.3480 acres, more or less, Open Space Lot .1056 acres, more or less, Open Space Lot .1181 acres, more or less, and the beds of Blue Bill Court, Canvasback Drive and Remington Circle as shown on the Plat entitled "PLAT 16, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 55.

BEGINNING FOR THE SEVENTEENTH and being known and designated a sLot Nos. 73 thru 82, inclusive, Lots Nos. 167 thru 174, inclusive, Open Space Lot .0579 Acres, more or less and the beds of Muscovy Court and Pintail Drive as shown on the Plat entitled "PLAT 17, GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County in Plat Book No. 69, folio 56.

LIBER 1762 FOLIO 715

EXHIBIT B

AREA SUBJECTED TO THE DECLARATION

BEGINNING FOR THE FIRST at a point on the southerly right-of-way line of Teal Court (50 feet wide) as shown on a plat entitled "Amended Plat One, Grace Harbour" recordation date May 1, 1991, and recorded among the Plat Records of Harford County, Maryland in Plat Book C.G.H. 73, folio 41, running thence and binding on said court, (1) south 76 09' 37" West 63.40 feet to the westerly outline of said plat, thence continuing to bind on southerly right-of-way line of said court as shown on a plat entitled "Amended Plat Two, Grace Harbour" recordation date May 1, 1991, and recorded among the Plat REcords of Harford County, Maryland in Plat Book C.G.H. 73, folio 42. (2) northwesterly by a curve to the right having a radius of 375.00 feet and a length of 193.54 feet, said curve being subtended by a chord bearing North 89 03' 16" West 191.40 feet to the easternmost corner of lot 423 as shown on said second mentioned plat running thence leaving said court and binding on the easterly side of lots 423 and 435, (3) South 15 43' 51" West 227.36 feet to the southerlymost corner of lot 435, as shown on said second mentioned plat thence binding on the southerly side of lots 435 and 434 the two following courses, (4) North 69 41' 43" West 115.67 feet, (5) South 74 53' 16" West 135.00 feet to the southwesternmost corner of lot 434, as shown on said second mentioned plat thence binding on the western side of lot 434, (6) North 15 06' 44" West 20.00 feet to the southeasternmost corner of lot 419, as shown on said second

LIBER 1762 FOLIO 716

mentioned plat thence binding on the southerly side of lots 419 and 418, (7) North 80 39' 42" West 270.21 feet to intersect the easterly right-of-way line of Shawnee Brook Drive (50 feet wide) as shown on said second mentioned plat, thence binding thereon and also binding on the westerly outline of lots 417 and 416 the two following courses, (8) northwesterly by a curve to the right having a radius of 646.87 feet and a length of 74.44 feet, said curve being subtended by a chord bearing North 18 24' 32" West 74.40 feet, (9) North 15 06' 44" West 263.88 feet to the northwesternmost corner of lot 416 as shown on said second mentioned plat, running thence leaving said drive and binding on a part of the outline of the whole tract and also binding on the northerly outline of lots 416 through 411 (inclusive), (10) North 74 53' 16" East 551.67 feet to the northeasternmost corner of lot 411 as shown on said second mentioned plat, thence binding on the easterly outline of lot 411, (11) South 02 38' 23" West 41.81 feet to the northwesternmost corher of lot 410 as shown on said second mentioned plat, thence binding on the northeasterly and northerly outline of lots 410 through 407 (inclusive) by the three following courses viz: (12) South 54 09' 27" East 192.21 feet, (13) South 73 32' 07" East 62.47 feet, (14) North 82 35' 52" East 62.33 feet, to the northwest corner of lot 406 of the hereinabove first mentioned plat, thence binding on the northerly outline of lot 406, (15) North 75 38' 27" East 97.51 feet to intersect the westerly right-of-way line of Canvasback Drive (60 feet wide) as shown on the hereinabove first mentioned plat, thence binding thereon the

MBR1762 PAGE717

two following courses, (16) southeasterly by a curve to the left having a radius of 704.92 feet and a length of 87.55 feet, said curve being subtended by a chord bearing South 10 16' 54" East 87.49 feet, (17) South 13 50' 23" East 8.00 feet to the cut-off leading to Teal Court as shown on the hereinabove first mentioned plat, thence binding on said cutoff, (18) South 31 09' 37" West 28.28 feet to the northerly right-of-way line of said Teal Court as shown on the hereinabove first mentioned plat, thence across said Teal Court for a line of division, (19) South 13 50' 23" East 50.00 feet to the place of beginning.

Containing 6.958 acres of land more or less.

Being known and designated as lot 406 and the bed of Teal Court as shown on a plat entitled "Amended Plat One, Grace Harbour" recordation date May 1, 1991, and recorded among the Plat Records of Harford County, Maryland in Plat Book C.G.H. 73, folio 41 and lots 407 through 423 respectively and lots 434 and 435 and the bed of Teal Court as shown on a plat entitled "Amended Plat Two, Grace Harbour" recordation date May 1, 1991, and recorded among the Plat Records of Harford County, Maryland in Plat Book C.G.H. 73, folio 42.

BEGINNING FOR THE SECOND AND BEING KNOWN AND DESIGNATED as Lot Nos. 123 thru 140, inclusive, 425, 426, the bed of Ruddy Court, Canvasback Drive, Teal Court, the Open Space Lot 1.3872 Acres, more or less, and the Open Space Lot .3897 Acres, more or less as shown on the Plat entitled "Amended Plat 1 GRACE HARBOUR", which Plat is recorded among the land Records of Harford County, Maryland in Plat

LIBER 1762 FOLIO 718

Book CGH, III No. 73, folio 41.

BEGINNING FOR THE THIRD AND BEING KNOWN AND DESIGNATED as Lot Nos. 427, 428, 430 thru 433 inclusive and the Open Space Lot 3.6482 Acres, more or less, as shown on Plat entitled "Amended Plat 2 GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH, III No. 73, folio 42.

BEGINNING FOR THE FOURTH AND BEING KNOWN AND DESIGNATED as Lots Nos. 399; 405; 106; 107; 109 thru 116, inclusive; 118 thru 122, inclusive, the beds of Snowgoose Court, Canvasback Drive, Tern Court, the Open Space Lot 2.1167 Acres, more or less, the Open Space Lot .0826 Acres, more or less, and the Open Space Lot .2324 Acres, more or less, as shown on the Plat entitled "Amended PLAT 3 GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH, III No. 73, folio 43.

BEGINNING FOR THE FIFTH AND BEING KNOWN AND DESIGNATED as Lot Nos. 400 thru 405, inclusive and the bed of Swan Court as shown on the Plat entitled "Plat 4 GRACE HARBOUR", which Plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH, III No. 69, folio 43.

BEGINNING FOR THE SIXTH AND BEING KNOWN AND DESIGNATED as Lots No. 273 thru 322, inclusive, the Open Space Lot 3.3480 Acres, more or less, the Open Space Lot .1056 Acres, more or less, and the beds of Remington Circle and Canvasback Drive as shown on the Plat entitled "Amended PLAT 16 GRACE HARBOUR" which Plat is recorded among the Land Records of Harford County in Plat Book CGH III No. 73, folio 52.

LIBER 1762 FOLIO 719

EXHIBIT C

OPEN SPACE AREAS

Beginning for the first and being known and designated as Open Space 1.3872 Acres and Open Space .3897 Acres as shown on "Amended Plat 1, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73 folio 41.

Beginning for the second and being known and designated as OPEN SPACE 3.6482 Acres as shown on "Amended Plat 2, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73 folio 42.

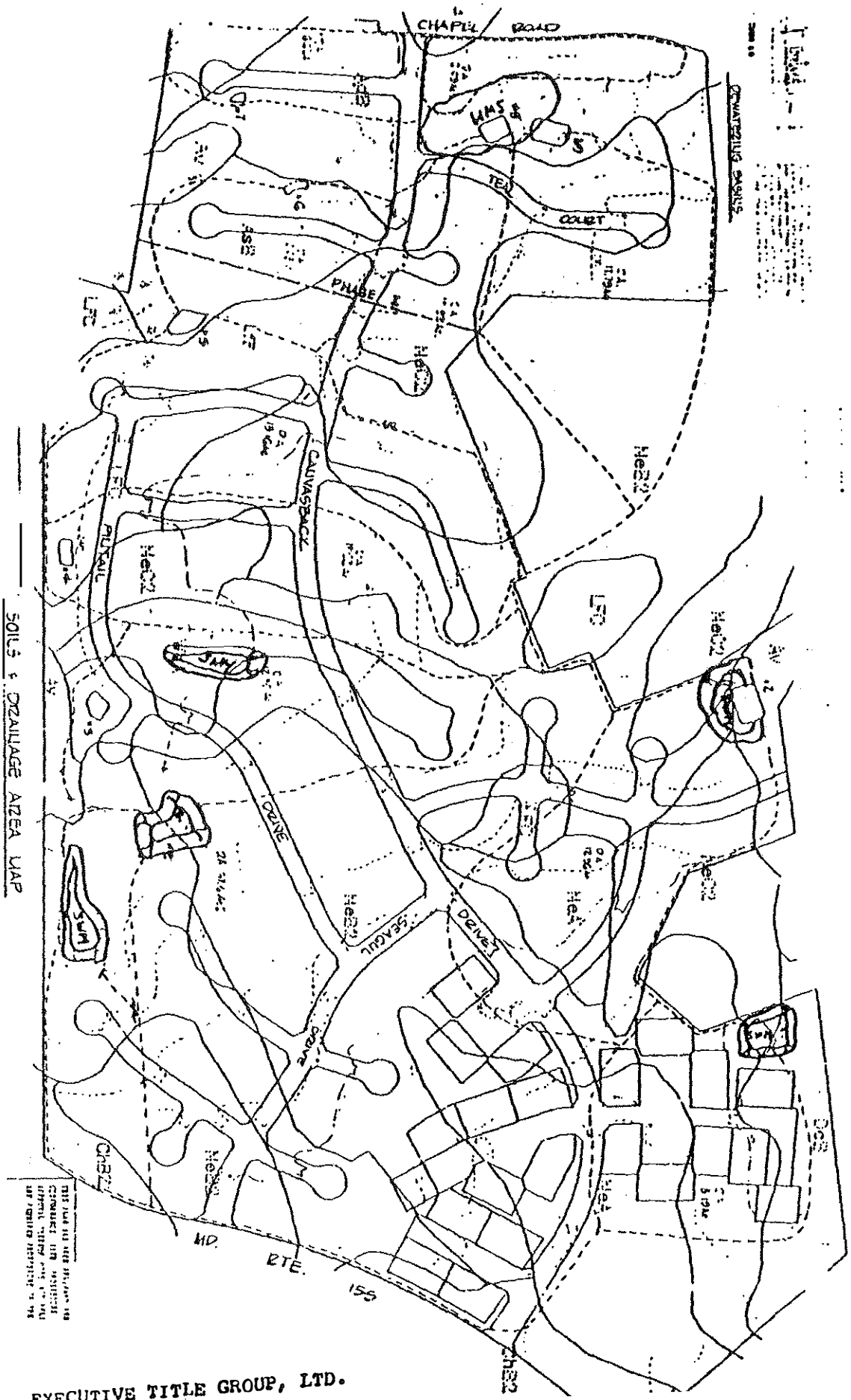
Beginning for the third and being known and designated as OPEN SPACE 2.1167 Acres, OPEN SPACE .2324 Acres and OPEN SPACE .0826 Acres as shown on "Amended Plat 3 GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73 folio 43.

Beginning for the fourth and being known and designated as OPEN SPACE .6476 Acres as shown on "Amended Plat 6, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73 folio 45.

Beginning for the fifth and being known and designated as OPEN SPACE AREA 1.6913 Acres and OPEN SPACE AREA .4619 Acres as shown on "Amended Plat 7, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73 folio 46.

EXHIBIT D

STORMWATER MANAGEMENT FACILITIES SCHEMATIC.



EXECUTIVE TITLE GROUP, LTD.

(1)

AGREEMENT AND DECLARATION OF COVENANTS
FOR DRIVEWAY MAINTENANCE AND REPAIR

37.00

THIS AGREEMENT AND DECLARATION, made this 9th day of August __, 1991, by GRACE HARBOUR LIMITED PARTNERSHIP, ("Developer"), owner of certain lots hereinafter described,

REC FE 37.00
SURCHG 2.00
HARF.CO. 39.00
M0:8:50 C001 R01 114157
08/13/91

W I T N E S S E T H :

WHEREAS, the Developer is the fee simple owner of Lot Nos. 434 and 435 as shown on a plat entitled "Amended Plat 2 Grace Harbour", which is recorded among the Land Records of Harford County in Plat Book C.G.H. No. 73, folio 42, being a part of the land acquired by the Developer by virtue of a deed dated June 3, 1988 from George C. Pensell and Alice M. Pensell, recorded among the Land Records of Harford County in Liber C.G.H. No. 1476, folio 581; and

WHEREAS, the Developer desires to make this Agreement for the purpose of the creation of restrictions for the use and maintenance of common drive to be used by the owners of Lot Nos. 434 and 435, (hereinafter collectively referred to as the "Lot") as set forth above; and

WHEREAS, the common driveway is necessary to serve the lots); and

WHEREAS, the Developer desires this Agreement and Declaration to be recorded and to be hereafter binding upon the lots hereinafter described.

NOW, THEREFORE, the Developer declares that the lots shall be held, sold, and conveyed subject to the following declaration containing easements, restrictions, covenants and conditions relating to the common driveway from the private road shown on the subdivision plat, which is made for the purpose of protecting the values and desirability of the Lots, which shall be binding upon the above-described lots and all purchasers or owners

hereafter having any right, title or interest in the lots or any part thereof, and upon their personal representatives, successors and assigns and shall inure to the direct benefit of each owner thereafter.

ARTICLE I

Definitions

Section 1. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the Lots, including contract sellers but excluding those having an interest merely as security for the performance of an obligation.

Section 2. "Lot" or "Lots" shall mean and refer to Lot Nos. 434 and 435 as shown on "Amended Plat 2 Grace Harbour".

Section 3. "Developer" shall mean and refer to Grace Harbour Limited Partnership or its assigns.

Section 4. "Panhandle" shall mean and refer to the 25.00 foot wide portion of land leading from Teal Court for approximately 135.08 feet from said Court in a southerly direction and adjacent to Lot Nos. 434 and 435 as shown "Amended Plat 2 Grace Harbour".

Section 5. "Plat" shall collectively mean and refer to the final plat entitled "Amended Plat 2 Grace Harbour" which is recorded among the Land Records of Harford County in Plat Book C.G.H. No. 73 , folio 42.

Section 6. "Driveway" shall mean and refer to the improved surface of the Panhandle which will be constructed by Developer within the boundary of the Panhandle for the purpose of carrying all types of vehicular traffic to and from Teal Court to the Lots.

LIBER 1733 FOLIO 086

ARTICLE II

Easement

Section 1. The Developer, intending to provide for the use of the driveway for ingress and egress to and from each of the Lots to Teal Court, hereby reserves an easement and right-of-way for the purposes of ingress and egress and normal driveway purposes on the Panhandle from Teal Court to the Lots.

Section 2. The easement reserved herein is for the benefit of the Owners of each of the Lots, their personal representatives, successors and assigns and shall be appurtenant to each of the Lots. The easement is reserved for use in common by the Owners of each of the Lots, their families, invitees, lessees, agents or contractors but not for use by the public in general.

ARTICLE III

Covenants for Maintenance

Section 1. Creation of Lien and Personal Obligation of Assessments. The Developer hereby covenants that any subsequent Owner of either Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the following:

(a) Any charges made in accordance with the procedure set forth below for maintenance and repair of the Driveway.

(b) Any approved annual assessments and any amounts due for damages to the driveway in accordance with Section 10 of this Article. The approved charges, annual assessments and Section 10 charges, together with interest charges, costs and reasonable attorney's fees, shall be a charge on the Lot to which the same relates and shall be a continuing lien upon the

LIBER 1733 PAGE 087

Lot against which such charge or annual assessment is made. Each such charge or assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such property at the time when the charge or annual assessment becomes due.

Section 2. Purpose of Charges and Assessments. The purpose of any charge or assessment paid under Section 1(a) or (b) shall be to maintain the driveway in good repair and in a condition suitable and safe for vehicular traffic. Charges or assessments may be used for the cost of any maintenance, repair or improvement of the driveway, such as patching, drainage, snow removal and/or the addition of stone.

Section 3. Meetings. The Owners shall meet once a year on the fourth Saturday in April to determine the need for any maintenance, repair or improvements to the driveway. A special meeting may be called by either Owner and such meeting shall be held within thirty (30) days of the date notice of the meeting is given in writing to the other Owner and such date shall be on a date and time convenient to the other Owner.

Section 4. Quorum. The presence of both of the Owners entitled to vote shall constitute a quorum at any meeting. However, if one Owner fails to attend an annual or special meeting, a second meeting shall be held on the same date and time in the next immediate month, at which a quorum shall be the presence of one Owner entitled to vote. A written record shall be made which shall list the place, time, date and attendees at every meeting, the subject matter discussed and the names of those voting for and against any proposal.

Section 5. Voting Rights. Each Owner shall be entitled to one vote on any proposal brought before the meeting.

LIBER 1733 FOLIO 088

Section 6. Approval of Proposals. Either Owner may present at a meeting proposals regarding action taken to maintain or repair the driveway and to remove snow from the driveway. Any proposal for specific work must be approved by the other Owner entitled to vote and in attendance at the meeting unless the meeting is a second meeting as set forth in Section 4, when one Owner's approval shall be satisfactory hereunder. If the Owners in attendance are not able to reach agreement, a registered professional engineer shall be hired by the Owners to determine what work is required and the engineer's determination shall be final and binding on all Owners. If the Owners cannot agree as to what engineer to hire, the designated engineer shall be George William Stephens, Jr. and Associates, Bel Air, Maryland, or its successor company. The cost of the engineer is to be divided equally between the Owners. Once scope of the work is ascertained, the Owner making the proposal will obtain at least two (2) estimates for the work required. When the estimates are received, the Owner making the proposal shall submit copies to the other Owner along with his written recommendation on the estimate he feels is most appropriate. If the other Owner objects to that recommendation, such objecting Owner shall send to the other Owner written notice of his disapproval within fourteen (14) days from receipt of the proposal. If such objection is made, another meeting shall be scheduled for the purpose of determining which estimate is to be accepted. If no agreement can be reached at the subsequent meetings, the lowest estimate shall be accepted. If no notification of disapproval is mailed, the Owner may direct that the work be completed in accordance with the approved proposal and recommended estimate and such action shall be binding on the other Owner.

LIBER 1733 FOLIO 089

Section 7. Payment for Authorized Work. When the authorized work has been completed and an invoice submitted to the Owner making the original proposal, that Owner shall then send copies of the invoice to the other Owner. Each Owner shall be responsible for sharing equally of the total cost of the work performed. Payment shall be made to the Owner making the original proposal within thirty (30) days of the receipt of a copy of the invoice. If an annual assessment has been established, the Owner responsible for the assessment account shall make payment from that account. The Owner making payment shall receive a receipted invoice marked "paid" or other evidence of payment and mail copies to the other Owner.

Section 8. Owner's Services. If an Owner is willing and capable of performing any maintenance or repair work on the driveway, he may obtain approval of the other Owner at a meeting. Upon submittal of receipts or other documentation, he shall be reimbursed by the other non-participating Owner for the cost of materials so used on a pro rata basis.

Section 9. Annual Assessments. The Owners may establish pro rata annual assessments on each Lot to provide for the purposes outlined in Section 1. Any amount so collected shall be kept in a bank account specifically for this purpose. One Owner shall be designated to maintain this account. When the assessments are approved, the Owner shall establish a date at which the assessments shall become due each year thereafter. Annual assessments shall be paid within thirty (30) days of the annual due date so established. The responsible Owner shall make a yearly accounting of all income and expenses and other transactions of the account and all payments made therefrom.

LIBER 1733 FOLIO 090

Section 10. Damage by Owner. If any damage to the Driveway is caused by the acts of any Owner, his family, invitees, lessees, agents or contractors, the cost of repair of the damage shall be the exclusive and sole personal liability of that Owner. Such liability includes, but is not limited to, any damage caused by trucks and equipment using the Driveway during construction of a dwelling on any Lot. If the Owner liable for the damage refuses to pay the damage, the other Owner may notify him that he will have the repair work done and shall supply the Owner with two estimates of the cost of the repairs. The offending Owner shall, within fifteen (15) days of receipt of the estimates, respond to the other Owner by selecting one estimate and notifying the other Owner of his selection. If the offending Owner fails to respond thereto, the other Owner may have the work done and the offending Owner shall be liable for the entire amount of the cost of the repair.

Section 11. Effect of Nonpayment; Remedies of Any Owner. Any charge for repair or maintenance or any annual assessment not paid within thirty (30) days after the due date or any amounts unpaid shall bear interest from the due date at a rate of twelve percent (12%) per annum. The other Owner may bring an action at law against the offending Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the charges or assessments provided herein by non-use of the driveway or abandonment of his Lot.

ARTICLE IV

Miscellaneous

Section 1. Subordination of Lien to Mortgage. The lien of any charge or assessment provided herein shall be subordinate to the lien of any

LIBER 1733 FOLIO 091

mortgage on the individual Lots. The sale or transfer of any Lot shall not affect the charge or any assessment lien. However, sale or transfer of any Lot pursuant to a mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of (but not the personal obligation of any Owner for) such charges or assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall release such Lot from liability for any assessment or charges thereafter becoming due or from the lien thereof.

Section 2. Duration of Easement, Covenants and Restrictions. The Easements, Covenants and Restrictions of this Declaration shall run with and bind land for a term of Twenty (20) years which shall be automatically renewed for successive periods of Ten (10) years. The Owners, by the written approval of the County, by unanimous consent, may agree to terminate this Agreement or amend any or all of the above provisions. Any termination or amendment must be in writing, signed by all Owners of record and recorded among the Land Records of Harford County in order to be effective.

IN WITNESS WHEREOF, the Developer has caused this Agreement and Declaration to be signed by its duly authorized General Partner the day and year first above written.

WITNESS:

GRACE HARBOUR LIMITED PARTNERSHIP

(SEAL)

By: DAVID E. GONZALES, VICE PRESIDENT
WOODFIELD DEVELOPMENT COMPANY
General Partner

LIBER 1733 FOLIO 092

68 Lots Grace Harbour
File #913749

THIS DEED, Made This 9TH day of AUGUST in the year one thousand nine hundred and ninety-one by and between

GRACE HARBOUR LIMITED PARTNERSHIP, A MARYLAND LIMITED PARTNERSHIP, party of the first part, Grantor;

and

22-
2376,
1800,
5'

STEPHEN HOMES, INC., a Maryland Corporation, party of the second part, Grantee.

WITNESSETH: that in consideration of the sum of THREE HUNDRED SIXTY THOUSAND AND 00/100 DOLLARS $360,000.00, and other valuable considerations, the receipt of which is hereby acknowledged, the Grantor does hereby grant and convey unto said Grantee, ITS SUCCESSORS and assigns, in fee simple, all that(those) lot(s) of ground situate in HARFORD County/City, in the State of Maryland, and described as follows, that is to say:

REC FE 22.00
REC TX 2376.00
TRNSFR 1800.00
SURCHG 5.00
RECD 4203.00

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF

BEING A PART OF the same lot of ground which by Deed dated JUNE 3, 1988 and recorded among the Land Records of HARFORD COUNTY at Liber CGH NO. 1476, folio 581, was granted and conveyed from GEORGE C. PENSELL AND ALICE M. PENSELL, HIS WIFE to the within named grantor.

M026960 C001 R01 T14:58
08/13/91

TOGETHER WITH the buildings and improvements thereupon; and the rights, alleys, ways, waters, privileges, appurtenances and advantages to the same belonging or in anywise appertaining.

TO HAVE AND TO HOLD the said described lot(s) of ground and premises, unto and to the use of the said Grantee, ITS SUCCESSORS and assigns, in fee simple.

And the said Grantor covenants to warrant specially the property hereby granted and conveyed, and to execute such further assurances of the same as may be requisite.

Witness the hand and seal of said Grantor:

WITNESS:

GRACE HARBOUR LIMITED PARTNERSHIP
BY ITS GENERAL PARTNER,
WOODFIELD DEVELOPMENT COMPANY

BY: _____ (Seal)
DAVID E. GONZALES, VICE PRESIDENT

STATE OF MARYLAND, COUNTY OF HARFORD, to wit:

I HEREBY CERTIFY that on this 9th day of August, 1991, before me, the subscriber, a Notary Public, of the State and County aforesaid, duly commissioned and qualified, personally appeared DAVID E. GONZALES, V.P. WOODFIELD DEVELOPMENT CO., GENERAL PARTNER OF THE GRANTOR, known to me, or satisfactorily proven, to be the person whose name is subscribed to the within Agreement, and acknowledged that he signed same for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.

NOTARY PUBLIC

_____ (SEAL)
Notary Public
My Commission Expires: 11/1/94

My Comm. Exps.
Nov. 1, 1994

RETURN TO:
Stark & Keenan, P.A.
30 Office Street
Bel Air, Maryland 21014

EVS/S

Exhibit A

GEORGE WILLIAM STEPHENS JR. & ASSOCIATES INC

ENGINEERS

Description of Lots
to be acquired
Grace Harbour

May 7, 1991

Beginning for the same at a point on the southerly right-of-way line of Teal Court (50 feet wide) as shown on a plat entitled "Amended Plat One, Grace Harbour" recordation date May 1, 1991, and recorded among the Plat Records of Harford County, Maryland in Plat Book C.G.H. 73, folio 41, running thence and binding on said court, (1) South 76° 09' 37" West 63.40 feet to the westerly outline of said plat, thence continuing to bind on southerly right-of-way line of said court as shown on a plat entitled "Amended Plat Two, Grace Harbour" recordation date May 1, 1991, and recorded among the Plat Records of Harford County, Maryland in Plat Book C.G.H. 73, folio 42, (2) northwesterly by a curve to the right having a radius of 375.00 feet and a length of 193.54 feet, said curve being subtended by a chord bearing North 89° 03' 16" West 191.40 feet to the easternmost corner of lot 423 as shown on said second mentioned plat running thence leaving said court and binding on the easterly side of lots 423 and 435, (3) South 15° 43' 51" West 227.36 feet to the southerlymost corner of lot 435, as shown on said second mentioned plat thence binding on the southerly side of lots 435 and 434 the two following courses, (4) North 69° 41' 43" West 115.67 feet, (5) South 74° 53' 16" West 135.00 feet to the southwesternmost corner of lot 434, as shown on said second mentioned plat thence binding on the western side of lot 434, (6) North 15° 06' 44" West 20.00 feet to the southeasternmost corner of lot 419, as shown on said second mentioned plat thence binding on the southerly side of lots 419 and 418, (7) North 80° 39' 42" West 270.21 feet to intersect the easterly right-of-way line of Shawnee Brook Drive (50 feet wide) as shown on said second mentioned plat, thence binding thereon and also binding on the westerly outline of

lots 417 and 416 the two following courses, (8) northwesterly by a curve to the right having a radius of 646.87 feet and a length of 74.44 feet, said curve being subtended by a chord bearing North 18° 24' 32" West 74.40 feet, (9) North 15° 06' 44" West 263.88 feet to the northwesternmost corner of lot 416 as shown on said second mentioned plat, running thence leaving said drive and binding on a part of the outline of the whole tract and also binding on the northerly outline of lots 416 through 411 (inclusive), (10) North 74° 53' 16" East 551.67 feet to the northeasternmost corner of lot 411 as shown on said second mentioned plat, thence binding on the easterly outline of lot 411, (11) South 02° 38' 23" West 41.81 feet to the northwesternmost corner of lot 410 as shown on said second mentioned plat, thence binding on the northeasterly and northerly outline of lots 410 through 407 (inclusive) by the three following courses viz: (12) South 54° 09' 27" East 192.21 feet, (13) South 73° 32' 07" East 62.47 feet, (14) North 82° 35' 52" East 62.33 feet, to the northwest corner of lot 406 of the hereinabove first mentioned plat, thence binding on the northerly outline of lot 406, (15) North 75° 38' 27" East 97.51 feet to intersect the westerly right-of-way line of Canvasback Drive (60 feet wide) as shown on the hereinabove first mentioned plat, thence binding thereon the two following courses, (16) southeasterly by a curve to the left having a radius of 704.92 feet and a length of 87.55 feet, said curve being subtended by a chord bearing South 10° 16' 54" East 87.49 feet, (17) South 13° 50' 23" East 8.00 feet to the cut-off leading to Teal Court as shown on the hereinabove first mentioned plat, thence binding on said cutoff, (18) South 31° 09' 37" West 28.28 feet to the northerly right-of-way line of said Teal Court as shown

on the hereinabove first mentioned plat, thence across said Teal Court for a line of division, (19) South 13° 50' 23" East 50.00 feet to the place of beginning.

Containing 6.958 acres of land more or less.

Being known and designated as lot 406 and the bed of Teal Court as shown on a plat entitled "Amended Plat One, Grace Harbour" recordation date May 1, 1991, and recorded among the Plat Records of Harford County, Maryland in Plat Book C.G.H. 73, folio 41 and lots 407 through 423 respectively and lots 434 and 435 and the bed of Teal Court as shown on a plat entitled "Amended Plat Two, Grace Harbour" recordation date May 1, 1991, and recorded among the Plat Records of Harford County, Maryland in Plat Book C.G.H. 73, folio 42.

The herein above described property is subject to certain easements, wetlands, and building setback lines, all as shown on the hereinabove mentioned plats (C.G.H. 73, folio 41 and C.G.H. 73, folio 42).

STATE OF MARYLAND, County of HARFORD, to wit:

I HEREBY CERTIFY, That on this 9TH day of AUGUST , in the year one thousand nine hundred and ninety-one, before me, the subscriber, a Notary Public of the State aforesaid, personally appeared DAVID E. GONZALES, VICE PRESIDENT OF WOODFIELD DEVELOPMENT COMPANY, GENERAL PARTNER OF GRACE HARBOUR LIMITED PARTNERSHIP, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that HE executed the same for the purposes therein contained, and in my presence signed and sealed the same.

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

Notary Public

My Commission Expires: 11/1/94

My Comm. Exps. 11/1/94

THIS DOCUMENT PREPARED BY: THE SENTINEL TITLE CORPORATION; 307 S. TOLLGATE ROAD; BEL AIR, MD 21014; (301)879-7020
PLEASE RETURN TO THE ABOVE ADDRESS

THIS IS TO CERTIFY that the within instrument was prepared by or under the supervision of the undersigned, an attorney duly admitted to practice before the Court of Appeals of Maryland.

James F. X. Cosgrove

JAMES F. X. COSGROVE, Attorney

Beginning for the sixth and being known and designated as OPEN SPACE 2.8824 Acres as shown on "Amended Plat 8, GRACE HARBOUR" which Plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73 folio 47.

Beginning for the seventh and being known and designated as OPEN SPACE .3705 Acres and OPEN SPACE 2.1093 Acres as shown on "Amended Plat 9, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73 folio 48.

Beginning for the eighth and being known and designated as OPEN SPACE 3.2042 Acres as shown on "Amended Plat II, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73 folio 50.

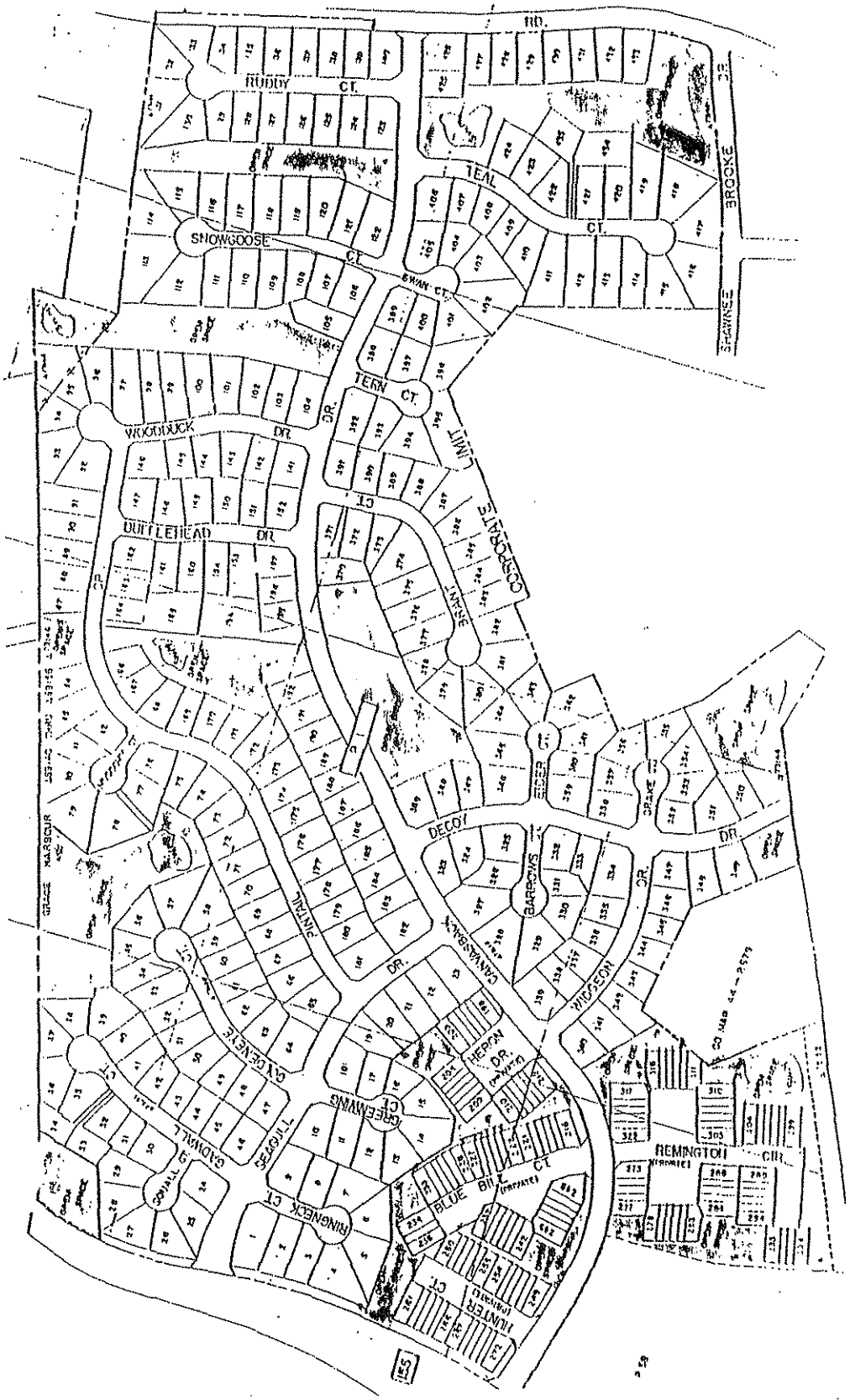
Beginning for the ninth and being known and designated as OPEN SPACE .9690 Acres as shown on "Amended Plat 13, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73 folio 51.

Beginning for the tenth and being known and designated as OPEN SPACE 1.1720 Acres and OPEN SPACE .4760 Acres as shown on "Plat 14 GRACE HARBOUR" which plat is recorded among the Land Record of Harford County, Maryland in Plat Book CGH III No. 69 folio 53.

Beginning for the eleventh and being known and designated as OPEN SPACE .8164 Acres, OPEN SPACE .4708 Acres and OPEN SPACE .0434 Acres as shown on "Plat 15, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 69 folio 54.

Beginning for the twelfth and being known and designated as OPEN SPACE .1181 Acres, OPEN SPACE .1056 Acres and OPEN SPACE 3.3480 Acres as shown on "Amended Plat 16, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73 folio 52.

Beginning for the thirteenth and being known and designated as OPEN SPACE, .0498 Acres as shown on "Amended Plat 17, GRACE HARBOUR" which plat is recorded among the Land Records of Harford County, Maryland in Plat Book CGH III No. 73 folio 53.


RUDDY CT.
TEAL CT.
SNOWGOOSE CT.
BROOKE
SHAWNEE
TERN CT.
WOODDUCK DR.
BUFFLEHEAD DR.
CORSICA TE
DECOY DR.
BARROWS
HUFFER
REMINGTON DR.
HERON DR.
BLUE BILL CT.
HUNTER CT.
CANVASBACK DR.
TITANIC DR.
GADWALL CT.
GREENWING CT.
RINGNECK CT.
GOLDENEYE
PINTAIL
HARBOUR
DRAKE