DECLARATION OF CONDITIONS, RESTRICTIONS AND EASEMENTS

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THIS DECLARATION dated November 25 , 1992, by HARFORD LAND DEVELOPMENT LIMITED PARTNERSHIP (the "Partnership"), and COUNCIL OF UNIT OWNERS OF ENGLISH COUNTRY MANOR CONDOMINIUM (the "Council").

RECITALS

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A. The Partnership owns all that land located in Harford County, Maryland, more particularly described in Exhibit A attached hereto and made a part hereof (the "Phase 2 Area").

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B. The Council is an unincorporated association the members of which are all owners of units in that certain condominium regime (the "Existing Condominium") known as "English Country Manor Condominium" created by recordation of a condominium declaration recorded among the Land Records of Harford County, Maryland in Liber 1650, folio 79, as amended. As used herein, the "Condominium Property" shall mean all of the general common elements of the Existing Condominium.

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- C. The Partnership intends to develop all or a portion of the Phase 2 Area into a project containing a maximum of two hundred twenty four (224) dwelling units.
- D. The Partnership and the Council have entered into an agreement of even date herewith (the "Agreement") pursuant to which they have, among other things, established the methods for joint-decision making as it relates to certain enumerated issues.
- E. The Partnership desires to subject the Phase 2 Area, and the Council desires to subject the Condominium Property, to the conditions, restrictions and easements set forth below which are for the purposes of ensuring the orderly development of the Phase 2 Area and protecting the value and desirability of the Phase 2 Area and the Condominium Property.
- F. The Partnership and the Council hereby declare that the Phase 2 Area and the Condominium Property (collectively the "Property") shall be held, sold and conveyed subject to the Conditions, Restrictions and Easements set forth below.

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I. GENERAL

1.1. General Provisions

- (a) Whenever used in this Declaration, the following terms, when capitalized, shall have the following meanings unless the context indicates clearly a contrary intent or unless otherwise provided specifically herein:
- (i) "Common Areas" means all of the general common elements in any condominium regime, as described in the condominium declaration and plats, established on the Phase 2 Area and the open space in all other portions of the Phase 2 Area, as designated from time to time by the owner of such portion of the Phase 2 Area.
- (ii) "Common Facilities" means all the roadways, ramps and exterior paved areas which may exist from time to time in the Common Areas for the purpose of providing vehicular and pedestrian ingress and egress.
- (iii) "Existing Owner" means the record owner of any Existing Unit, his successors and assigns (including tenants).
- (vi) "Existing Unit" means each individual dwelling unit now or hereafter located in the Existing Condominium.
- (v) "Owner" means the record owner of any Unit, his successors or assigns (including tenants).
- (vi) "Phase 2 Owner" means the council of unit owners for any condominium regime established in the Phase 2 Area, and any owner of the fee simple title to any remaining portion of the Phase 2 Area.
- (vii) "Recreational Amenities" means the swimming pool area, the first floor of the manor house (including without limitation the terrace room, the activity room and gymnasium), and the portions of the common elements of the Existing Condominium marked on Exhibit B attached hereto and made a part hereof.
- (vii) "Unit" means each of the individual dwelling units now or hereafter located on the Phase 2 Area.

1.2 Incorporation of Recitals.

The Recitals are hereby incorporated as if fully set forth herein.

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II. GRANT OF EASEMENTS FOR BENEFIT OF EXISTING CONDOMINIUM

2.1 Ingress/Egress and Use Easements

The Partnership hereby grants, for the benefit of each of the Existing Units, a non-exclusive easement, license, right and privilege, in common with Owners, of (a) ingress and egress over the Common Facilities in order to use and enjoy the Common Areas in the Phase 2 Area and (b) ingress and egress to the clock tower park. The easements herein shall be for the benefit of any Existing Owner and such Existing Owner's tenants, invitees, contractors, agents, employees, and mortgagees and others holding a security interest in the Existing Unit in question, subject to any rules and regulations promulgated by the Phase 2 Owner.

II A. CONFIRMATION OF EASEMENTS.

2A.1 The Council hereby grants and confirms that, in connection with development of the Phase 2 Area, the Partnership, for itself, its successors and assigns, shall have an easement in, upon, through, and over the common elements of and Units retained by the Partnership in the Existing Condominium (including, without limitation, the Recreational Amenities and any existing models or sales offices) for the purposes of construction, maintenance, repair, sales promotion, and exhibition of the Phase 2 Area. This excludes the second floor offices and board room currently being used by the Partnership (HLD), which is common area that the Council reserves the right to lease to a third party.

III. GRANT OF EASEMENTS RELATING TO RECREATIONAL AMENITIES

3.1 Use of Recreational Amenities.

- (a) The Council hereby grants to the Owners of all Units a non-exclusive easement, license, right and privilege, in common with Existing Owners, of ingress and egress to and the use and enjoyment of the Recreational Amenities for the purposes for which they have been designed, subject to any fees or rules as hereinafter set forth.
- (b) The Council agrees that any rules and regulations it adopts in connection with the Recreational Amenities shall be:
 - (i) generally applicable to Existing Owners
 - (ii) uniformly enforced; and
- (iii) shall limit use of the Recreational Amenities to Existing Owners, Owners and their guests and invitees.

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and Owners:

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(c) Such rules and regulations may prohibit the use of such Recreational Amenities by any Existing Owner or Owner who has not paid its share of the cost and expense of the Recreational Amenities as hereinafter provided and as provided in the bylaws of the Existing Condominium and any condominium regime in the Phase 2 Area. Anything herein to the contrary notwithstanding, the Partnership hereby agrees that the legal documents creating any condominium regime in the Phase 2 Area shall provide that such charges to be paid by Owners shall be assessments, for which the failure to pay may result in a lien pursuant to the Maryland Contract Lien Act.

3.2. Cost and Expense of Recreational Amenities.

Subject to the right of reimbursement as provided in Section 3.4, the costs of operating and maintaining the Recreational Amenities shall be borne by the Existing Condominium. The Council shall maintain a comprehensive system of books and accounts in a manner reasonably satisfactory to the Phase 2 Owner showing and reflecting the cost and expense of operating and maintaining the Recreational Amenities. All such books and accounts shall be available for inspection by the Phase 2 Owner at any time during normal business hours. At the end of each month the Council shall render to the Phase 2 Owner a detailed accounting showing the cost and expense of operating and maintaining the Recreational Amenities during such month and stating the fractional share thereof payable by each Phase 2 Owner as determined pursuant to the formulae set forth in Section 3.4 hereof. Each Phase 2 Owner shall remit its share of such cost and expense to the Council within the later to occur of thirty (30) days after receipt by it of such accounting or by the thirtieth (30th) day of the month. If the parties hereto cannot agree as to the amount of the cost and expense incurred in operating and maintaining the Recreational Amenities or the fractional share thereof for which each Phase 2 Owner is liable, then such questions shall be referred to an arbitrator in accordance with Article VI hereof, who shall determine the answers to such questions in accordance with generally accepted accounting principles. The decision of the arbitrator shall be final and binding on the parties hereto. All charges and fees of the arbitrator shall be paid equally by the Council and the Phase 2 Owner.

3.3 Accounting for Recreational Amenities.

The budget for operating the Recreational Amenities (which budget shall include, without limitation, line items for repair, maintenance, operations, employees, insurance and reserves) shall be maintained separately from the operating budget of the Existing Condominium.

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3.4 Reimbursement.

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(a) Commencing as of the first day of the month during which all or a portion of the Phase 2 Area is developed into one or more Units for which a certificate of occupancy has been issued and one or more Units have been conveyed to third party Owners, and continuing on the first day of each month thereafter, the Phase 2 Owner shall pay to the Council that fractional share of the cost and expense of operating and maintaining the Recreational Amenities, determined by the following formula, to wit: the numerator of the fraction shall be the number of Units then in the Phase 2 Area and the denominator of the fraction shall be the aggregate number of Existing Units and Units.

(b) Commencing on the first day of the month following the establishment of a condominium regime for all or a portion of the Phase 2 Area provided the Council's Board of Directors shall reasonably accept the Clock Tower Park as substantially complete, the Council shall pay to the council of unit owners of the condominium regime established in the Phase 2 Area ("Phase 2 Council") a fractional share of the Clock Tower Park expenses related to grounds maintenance, landscaping, repair and maintenance, insurance, operations and capital reserve. The fractional share shall be determined by the following formula: the numerator of the fraction shall be 175, and the denominator of the fraction shall be the then aggregate number of Existing Units and Units. The Council shall remit to the Phase 2 Council it share within the later to occur of thirty (30) days after receipt of it of an invoice for such share, or by the thirtieth (30th) day of the month.

3.5 Operation and Maintenance of Recreational Amenities.

The Recreational Amenities shall be maintained and operated by the Council. Such Recreational Amenities shall be kept, to the extent reasonably possible, in a state of maintenance and repair comparable to that existing when such Recreational Amenities were first constructed, ordinary wear and tear excepted. The Council agrees not to alter significantly any of the Recreational Amenities except for an expansion of the pool deck area, and in covering the pool with a "bubble," and/or such other alterations as do not have a material adverse affect on the use and enjoyment of such Recreational Amenities without the prior written consent of the Phase 2 Owner, which consent shall not be unreasonably withheld.

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IV. GENERAL PROVISIONS

- 4.1 The invalidity of any of the provisions of this Declaration shall not affect any of the other provisions, all of which shall remain in full force and effect.
- 4.2 Each conveyance of a Unit or an Existing Unit or of any interest therein, shall be deemed to be subject to this Declaration whether or not the deed conveying the Unit or the Existing Unit shall so state.
- 4.3 This Declaration contains the final and entire agreement between the parties hereto and they shall not be bound by any liens, conditions, statements or representations, oral or written, not herein contained. Any subsequent amendment to this Declaration shall be valid only if executed in writing by the parties hereto, their successors or assigns, and recorded among the Land Records of Harford County.
- 4.4 As used in this Declaration the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.
- 4.5 This Declaration shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.
- 4.6 The provisions of this Declaration shall be deemed to be cumulative. No provision of this Declaration shall be deemed to be in limitation of or to exclude any other provision hereof, or any right, remedy or provision of law, unless otherwise expressly stated.
- 4.7 The captions of this Declaration are inserted only for the purpose of convenient reference and in no way define, limit or prescribe the scope or intent of this Declaration or any part hereof.

V. TERMINATION

This Declaration and the easements granted hereunder shall continue in full force and effect for a term of forty (40) years and shall thereafter renew automatically for successive renewal terms of ten (10) years each, unless prior to the commencement of any such renewal term an appropriate instrument terminating this Declaration is executed by at least seventy-five percent (75%) of the Existing Owners and their Mortgagees and the Owners of at least seventy-five percent

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(75%) of the Units in the Phase 2 Area and their Mortgagees and is recorded among the Land Records of Harford County, Maryland.

VI. ARBITRATION

- 6.1 Any controversy or claim arising out of or relating to this Declaration, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any Court having jurisdiction thereof.
- 6.2 Arbitration will be commenced by a written demand made by the Partnership (or any Phase 2 Owner, as the case may be) or the Council upon the other. The written demand will contain a statement of the question to be arbitrated and the name and address of the arbitrator appointed by the demandant. Within ten (10) days after its receipt of the written demand, the other will give the demandant written notice of the name and address of its arbitrator. Within ten (10) days after the date of the appointment of the second arbitrator, the two arbitrators will meet. If the two arbitrators are unable to resolve the question in dispute within ten (10) days after their first meeting, they will select a third arbitrator. The third arbitrator will be designated as chairman and will immediately give the parties written notice of its appointment. The three arbitrators will meet within ten (10) days after the appointment of the third arbitrator. If they are unable to resolve the question in dispute within ten (10) days after their first meeting, the third arbitrator will render his decision which decision shall be final and binding on the parties and may be enforced according to the laws of the State of Maryland.
- 6.3 The arbitrators will not have power to add to, modify, detract form, or alter in anyway the provisions of this Declaration or any amendments or supplements hereto. No arbitrator is authorized to make an award of punitive or exemplary damages.
- $6.4\,$ Each party will each pay for the services of its appointees, attorneys, and witnesses, plus one-half (1/2) of all other proper costs relating to the arbitration.

WITNESS the due execution of this Declaration of Covenants, Conditions, Restrictions and Easements by the \P_{ν}

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Company and the Council.

WITNESS:

✓ HARFORD LAND DEVELOPMENT LIMITED PARTNERSHIP

By: Harford Land Development, Inc.,

General Partner

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Ulm Sime, President (SEAL)

David M. Tolmie, President

COUNCIL OF UNIT OWNERS OF ENGLISH COUNTRY MANOR CONDOMINIUM

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By: (SEAL)

M. Bradley Fout, President

STATE OF MARYLAND, COUNTY OF HARFORD

TO WIT:

I HEREBY CERTIFY that on this 25th day of November 1992, before me, the subscriber, a Notary Public for the state and county aforesaid, personally appeared David M. Tolmie, President of Harford Land Development, Inc., sole general partner of Harford Land Development Limited Partnership, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed the said instrument in the capacity as described therein.

AS WITNESS, my hand and Notarial Seal.

NOTARY PUBLIC

NOTARY PUBLIC

Notary Public Susan Amy Hardy

My Commission expires:

1/1/93

STATE OF MARYLAND, COUNTY OF HARFORD

: TO WIT:

I HEREBY CERTIFY that on this 25th day of November 1992, before me, the subscriber, a Notary Public for the state aforesaid, personally appeared II. Bradley Fout President and Doris Balis Secretary, of The Council of Unit

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Owners of English Country Manor Condominium, and they acknowledged the foregoing Declaration to be the act of said Council and they further acknowledged and certified that The Secretary is the person specified in Article VI Section 6 of the By-Laws to tally votes at meetings of the Council of Unit Owners and that the foregoing Declaration was approved by the percentage of votes of unit owners and Mortgagees required by law and the Declaration and By-Laws of the said Condominium.

AS WITNESS, my hand and Notarial Seal.



Notary Public

Susan Amy Hardy

Mirginia (A.) Zrak

My Commission expires:

1/1/93

THIS IS TO CERTIFY that this instrument was prepared by or under the supervision of Virginia A. Zrake, an attorney duly admitted to practice before the Court of Appeals in Maryland.

MR. CLERK:

Upon its recordation, please return this instrument to: Virginia A. Zrake, Esquire, Venable, Baetjer and Howard, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Maryland 21201.

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EXHIBIT A

Description of Partnership Property

All of that parcel known and designated as Parcel 'A' as shown on a subdivision plat entitled "31.2 Acre Parcel to be Conveyed by BTR Realty, Inc." which plat is recorded among the Land Records of Harford County in Plat Book C.G.H. 61, folio 31, but SAVING AND EXCEPTING THEREFROM all that property constituting Phase 1 through Phase 9 of English Country Manor Condominium created by recordation of a Declaration dated August 7, 1990 and recorded among the Land Records of Harford County in Liber 1650, folio 79, as amended, and accompanying condominium plats.

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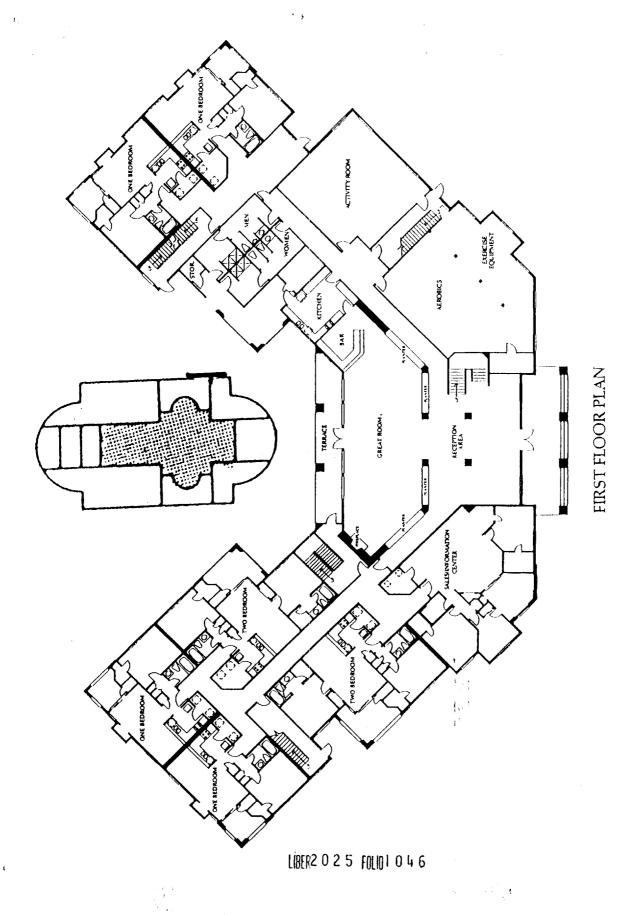
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EXHIBIT B

Plat Depicting Recreational Amenities

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CONSENT AND AGREEMENT OF TRUSTEE AND BENEFICIARY

Raymond E. Schlissler, Trustee, and Provident Bank of Maryland, a banking institution organized and existing under the laws of Maryland, who are, respectively, a trustee and the beneficiary under a Deed of Trust ("Deed of Trust") dated June 18, 1992, and record among the Land Records of Harford County, Maryland, in Liber 1933 at folios 81 et seq., hereby join in the foregoing Declaration for the express purpose of subjecting all of their right, title and interest under the Deed of Trust, in and to the real property described in Exhibit A attached to the Declaration to the terms, convenants and conditions set forth in the Declaration.

IN WITNESS WHEREOF, the said Trustee and Beneficiary have signed and ensealed these presents as of this 20 day of October, 1993.

WITNESS:

Janie y Dyen

Raymond E. Schlissler, Trustee

PROVIDENT BANK OF MARYLAND

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By: Key Ca (SEAL)
George D. Decker, Vice President

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STATE OF MARYLAND, CHTY OF BALTIMORE TO WIT:

I HEREBY CERTIFY that on this 20 day of October, 1993, before me, a Notary Public for the state and county aforesaid, personally appeared Raymond E. Schlissler, trustee, because to me or antisfactorily appeared to the state and county the state of the state and county the state of the state known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he has executed it as trustee for the purposes therein set forth, and that it is his act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

Notary Public de la Orce

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My commission expires on

Rone's J. Dyer Natury Public State of Maryland My Commission Expires June 17, 1997

STATE OF MARYLAND, CHTY OF BALTIMORE TO WIT:

I HEREBY CERTIFY that on this ZU day of October, 1993, before me, a Notary Public for the state and county aforesaid, personally appeared George D. Decker, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the Vice President of Provident Bank of Maryland, a banking institution organized and existing under the law of Maryland, that he has been duly authorized to execute, and has executed, such instrument on its behalf for the purposes therein set forth, and that it is his act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

Dage Notary Public

My commission expires on

Rene's J. Dyar Nintauy Public State of Maryland My Commission Enpires June 17, 1997

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