

TANEYTOWN SWM ASSOCIATION, INC.

BYLAWS

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ATTORNEYS

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TANEYTOWN SWM ASSOCIATION, INC.

BYLAWS

Section 1. General terms.

1.1. Definitions. As used in the Bylaws, any capitalized term defined by the Declaration and used but not defined herein shall have the meaning given it therein; and the following terms have the following meanings:

Annual Member Meeting and **Special Member Meeting** mean an annual or a special Member Meeting held under subsection 2.1 or subsection 2.2, respectively.

Association means Taneytown SWM Association, Inc., a Maryland nonstock corporation.

Board of Directors means the Association's board of directors. **Board Meeting** means a Board of Directors meeting held pursuant to subsection 3.7.

Charter means the Association's articles of incorporation, as filed with the State Department of Assessments and Taxation of Maryland, as from time to time amended.

Declaration means a Storm Water Management Facility Declaration dated September 18, 2001 and recorded among the Land Records of Carroll County, Maryland in Liber ___ at folios ___ et seq., by Maryland Midland Railway, Inc., Prime Venturers and the Association, as hereafter amended.

Director means a member of the Board of Directors, in his or her capacity as such.

Majority means more than 50 percent.

Nominating Committee means the committee referred to in subsection 3.3.

Notice means a notice, demand, consent, approval, request or other communication or document to be given hereunder to a Person by the Association or a Director, Officer, Owner or other Person.

President, Vice-President, Secretary and Treasurer mean the Association's president, vice-president, secretary, treasurer and any assistant secretary or assistant treasurer. **Officer** means each such officer and the holder of each other office which the Board of Directors creates under subsection 4.4.

Proxy means the right given by an Owner to another Person, under the Charter and Bylaws, to cast such Owner's Votes on questions voted on by the Membership. **Proxy Holder** means a Person who holds a Proxy.

Resale Certificate has the meaning given it in paragraph 7.5.2.

Voter has the meaning given it in subsection 2.5.

1.2. Principal office. The Association's principal office shall be at c/o Prime Venturers, 439 East Main Street, Westminster, Maryland 21157-5539, but Member Meetings and Board Meetings may be held at any other places in the said County or Baltimore, Maryland from time to time designated by the Board of Directors.

1.3. Fiscal Year. The Association's fiscal year shall be the period or periods designated as Fiscal Years in the Declaration.

1.4. Status and applicability of Bylaws. The Bylaws, as from time to time amended, (a) are referred to as the "Bylaws" in the Declaration, and (b) shall govern the administration of the Association's affairs by or through its Officers, the Board of Directors or the Membership.

Section 2. Member Meetings.

2.1. Annual Member Meetings. The first Annual Member Meeting shall be held on a day within one year after the date of the Association's incorporation. Each subsequent Annual Member Meeting shall be held on the same day of the same month of each year thereafter, at 7:00 p.m., except that if such day is a Saturday, Sunday or legal holiday, the Annual Member Meeting for such year shall be held at the same hour on the first day thereafter which is not a Saturday, Sunday or legal holiday.

2.2. Special Member Meetings. Special Member Meetings may be called at any time by the President or Board of Directors, or at any time after the first Annual Member Meeting on the receipt by the President or Board of Directors of a written request for such Special Member Meeting by Owners holding at least 25 percent of the total number of Votes held by all Owners.

2.3. Notice of Meetings. Notice of each Member Meeting shall be given by, or at the direction of, the Secretary or the Person authorized to call such Member Meeting, by mailing such Notice in the manner prescribed by the HOA Act or the Declaration or, if not then prescribed thereby, to each Owner entitled to vote thereat, addressed to such Owner's Notice Address, at least 15 days before such Member Meeting (except that where a longer Notice period is specified for a Member Meeting in the Declaration, such Notice shall be given in accordance therewith). Such Notice shall specify the date, time and place of such Member Meeting and, in the case of a Special Member Meeting, its purpose.

2.4. Quorum. The presence at the date, time and place of a Member Meeting as set forth in such Notice of Owners or Proxy Holders holding at least 10 percent of the total number of Votes held by, respectively, each class of the Membership shall be required to constitute a quorum for such Member Meeting, except as is otherwise provided in the Charter, the Declaration or the Bylaws. If a quorum does not exist at such date, time and place, a Majority of the Owners or Proxy Holders who are present and entitled to vote thereat shall have the power to adjourn such Member Meeting from time to time, without Notice other than announcement at such Member Meeting, until a quorum is present.

2.5. Voting at Member Meetings.

2.5.1. A question to be voted on at a Member Meeting may be voted on by and only by those Persons present who are Voters for such Member Meeting, notwithstanding the presence of any other Person. Each such Voter may cast on such question the number of Votes held under the Declaration by the Owner for which he is a Voter.

2.5.2. For a Member Meeting, the Voters shall consist of and only of all of the following Persons:

(a) As to each Owner for whom no Proxy is then in effect permitting its Votes to be cast at such Member Meeting only by the Proxy Holder thereof, (i) if such Owner consists of one natural Person, such Owner shall be its own Voter; (ii) if such Owner consists of more than one natural Person (but such Owner has not designated a Voter in accordance with the Declaration), any such Person present thereat shall be such Owner's Voter (except that if more than one such Person is present thereat, in counting the Votes cast on a question voted on at such Member Meeting the Secretary may treat any such Person casting such Owner's Votes as such Owner's Voter, unless before such voting ends another such Person notifies the Secretary that he objects to the first such Person's being treated as such Owner's Voter, in which event the Secretary shall announce the same to the Member Meeting and disallow such Owner's Votes on such question, but such disallowance shall not affect the existence of a quorum at such Member Meeting); and (iii) otherwise, any Person who, before such voting, is designated a Voter by such Owner pursuant to the Declaration shall be such Owner's Voter (but only if such designation then remains in effect).

(b) As to each Owner for whom a Proxy is then in effect permitting such Owner's Votes to be cast at such Member Meeting only by the Proxy Holder thereof, (i) if such Proxy Holder consists of one natural Person, such Person shall be its own Voter; and (ii) otherwise, any Person who, before such voting, is designated a Voter by such Proxy Holder in accordance with the Declaration shall be such Proxy Holder's Voter (but only if such designation is then in effect).

2.5.3. Except as is otherwise set forth in the Declaration, Charter, Bylaws or applicable law, each question voted on at a Member Meeting shall be decided by a Majority of the Votes cast thereon, and whenever the Bylaws condition the effectiveness of an action on the Membership's approval or authorization thereof, such condition shall be satisfied by the affirmative vote of a Majority of the Votes cast thereon, unless another standard of approval is therein expressly set forth as to such condition.

2.5.4. Proxies. An Owner may give a Person a Proxy entitling such Person to cast such Owner's Votes on questions voted on at any one or more Member Meetings, but such Proxy shall not be effective (a) unless given in writing and filed with the Secretary or (b) (unless given to a Developer, Developer Entity, Mortgagee or Tenant) for more than 180 days after it is given. Each Proxy (a) may be revoked at any time by the Owner executing such Proxy, and (b) shall automatically expire on such Owner's conveyance of the title to its Lot. Anything in the Bylaws to the contrary notwithstanding, a Proxy Holder may not vote in an election for members of the Board of Directors or Officers unless such Proxy Holder is expressly appointed to vote for particular candidates designated by the Owner granting such Proxy.

Section 3. Board of Directors.

3.1. Composition and qualifications. The Board of Directors shall consist of four Directors. Each Director shall be (a) a natural Person; (b) at least 21 years old; and (c) either (i) alone or in combination with one or more other Persons an Owner, or (ii) an officer, director, employee or agent of a corporation, partnership, trust or other legal entity (other than a natural person) which, either alone or in combination with one or more other Persons, is an Owner, provided that the Secretary is given such proof of such Person's status as officer, director, employee or agent of such entity as the Secretary may reasonably require.

3.2. Terms of directorships. The Persons named as Directors in the Charter shall serve as such until the first Annual Member Meeting, at which time their terms as Directors shall expire. At the first Annual Member Meeting, a successor shall be elected to each such Director, for a one-year term.

3.3. Nomination and election of Directors.

3.3.1. Nomination. At least 60 days before each Annual Member Meeting,

(a) the President shall appoint (i) a nominating committee of Voters for Eligible Owners of Industrial Lots ("**Industrial Nominating Committee**"), and (ii) another nominating committee of Voters for Eligible Owners of Residential Lots ("**Residential Nominating Committee**"), whose members shall serve for a term ending on the earlier to occur of (1) the beginning of the second Annual Member Meeting held after his or her appointment, or (2) the appointment of such member's successor. After considering the qualifications of prospective nominees, (i) the Industrial Nominating Committee shall select one or more nominees for each Industrial Director position to be filled at such Member Meeting, and (ii) the Residential Nominating Committee shall select one or more nominees for each Residential Director position to be filled thereat, and (3) each such committee shall give the Secretary a Notice specifying its nominees by at least 15 days before such Member Meeting.

(b) the Secretary shall send each Eligible Owner a Notice containing a call for nominations for such directorships. By a Notice to the Secretary signed by each such Eligible Owner given at least 30 days before such Member Meeting, (i) any one or more Eligible Owners of Industrial Lots may nominate a candidate for each such Industrial Director position, and (ii) any one or more Eligible Owners of Residential Lots may nominate a candidate for each such Residential Director position.

(c) No materials relating to any such election and prepared using the Association's funds shall list candidates for any such office or directorship other than alphabetically, or indicate any candidate preference.

3.3.2. Election. (a) At each Annual Member Meeting, a separate election shall be held to fill the position of each Director whose term of office expires as of such Annual Member Meeting, and any other vacant Director position.

(b) Those Persons declared nominees for such positions in accordance with this Section, who receive the greatest number of Votes cast in such election, shall be

declared elected, except that (i) only Voters for Eligible Owners of Industrial Lots may cast Votes in the election of Industrial Directors; and (ii) only Voters for Eligible Owners of Residential Lots may cast Votes in the election of Residential Directors.

(c) Each Voter for an Eligible Owner, or for a Proxy Holder appointed to vote for nominees designated by an Eligible Owner, may cast his or her Votes in such election either (i) while in attendance at such Member Meeting, or (ii) prior thereto by depositing his or her completed ballot with the Secretary, who shall open it at such Member Meeting (in which event such Voter need not attend such Member Meeting for his or her Votes to be counted).

3.3.3. Filling vacancies in directorships. If any Director position becomes vacant due to a Director's death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors shall, at a Board Meeting duly called for such purpose, elect his or her successor, who shall serve for the rest of his or her term, except that if such position is unfilled at the next Annual Member Meeting, such successor shall be elected thereat by the Membership for the rest of such term, in accordance with paragraphs 3.3.1 and 3.3.2.

3.4. Removal.

3.4.1. Generally. Any Director may be removed from his or her position as such, with or without cause, by the affirmative vote of Voters having a Majority of the outstanding Votes held by all Owners, at any Annual Member Meeting, or any Special Member Meeting duly called for such purpose, except that (a) an Industrial Director may be so removed only by the affirmative vote of Voters for Eligible Owners of Industrial Lots having a Majority of the outstanding Votes held by all Owners of House Lots; and (b) a Residential Director may be so removed only by the affirmative vote of Voters for Eligible Owners of Residential Lots having a Majority of the outstanding Votes held by all Owners of Townhouse Lots. A Director whose removal is sought at a Member Meeting shall be given Notice thereof at least 10 days before such Member Meeting.

3.4.2. Absences. Any Director who is absent from any three consecutive Board Meetings (except where the Chairman determines that any such absence was justified by an emergency or other extraordinary circumstance, and was not reasonably avoidable) may be removed from such position by the affirmative vote of a Majority of the Directors present at any Regular or Special Board Meeting at which there is a quorum. In such event, his or her successor shall be chosen in accordance with paragraph 3.3.1.

3.5. Compensation. Each Director shall serve as such without compensation, but a Director may be reimbursed for actual expenses incurred in performing his or her duties. Nothing in this Section shall preclude a Person who is a Director from (a) simultaneously serving as an officer, partner and/or employee of a corporation, partnership or other Person with which the Association does business and/or which performs management or other services for the Association, and (b) in such Person's capacity as such, being compensated by such corporation, partnership or other Person for his services as such.

3.6. Board Meetings.

3.6.1. Regular Board Meetings. Regular Board Meetings shall be held quarterly at such date, time and place as is fixed from time to time by resolution of the Board of

Directors. Notice to Owners shall be given as required under the HOA Act or the SWM District Documents. If such date is a legal holiday, such Board Meeting shall be held at the same time on the next day which is not a legal holiday.

3.6.2. Special Board Meetings. Special Board Meetings shall be held when called by the President or any two Directors, after not less than three days' Notice to each Director.

3.6.3. Quorum. The presence at such date, time and place of a Majority of the Directors shall constitute a quorum for the transaction of business at such Board Meeting. Every act done or decision made by a Majority of the Directors present at a duly held Board Meeting at which a quorum is present shall be regarded as the act or decision of the Board of Directors.

3.7. Action taken without Board Meeting. Except as otherwise provided in the HOA Act, the Directors shall have the right to take an action in the absence of a Board Meeting which they could take at a Board Meeting, by obtaining each Director's written approval thereof. Any action so taken and approved shall have the same effect as though taken at a Board Meeting.

3.8. Powers and duties of Board of Directors.

3.8.1. Powers. Except as may be otherwise provided in the Declaration, the Board of Directors shall have the power to (a) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by the Declaration, the other SWM District Documents or law; and (b) declare a directorship to be vacant if the Director who holds it is absent from 3 consecutive regular Board Meetings called in accordance with the Bylaws.

3.8.2. Duties. Except as the Declaration may otherwise provide, the Board of Directors shall

(a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Owners at each Annual Member Meeting, or at a Special Member Meeting when such statement is requested in writing either (a) by Owners holding at least 25 percent of the total number of Votes held by the Class A Membership, or (b) by Owners holding at least 25 percent of the total number of Votes held by the Class B Membership, or (c) when there no longer is a Class A Membership and a Class B Membership, by Owners holding at least 25 percent of the total number of Votes held by the Membership.

(b) supervise all Officers, agents and employees of the Association, and see that their duties are properly performed.

(c) collect all, if any, Assessments levied pursuant to the Declaration.

(d) cause to be deposited, in the Depository at the Office of the Clerk of the Circuit Court for the said County, the items required to be deposited therein by subsection 11B-112(c) of the HOA Act.

(e) perform all other duties imposed on the Board of Directors by the Declaration, the other SWM District Documents or law.

(f) cause the Association to perform all other duties imposed on it by the Declaration, the other SWM District Documents or law.

3.8.3. Limitation of Directors' liability. (a) No Director in his or her capacity as such shall, except in the event of his or her own individual willful misconduct or gross negligence in performing his or her duties, be liable (i) for any failure by the Association to obtain or pay for any service to be obtained hereunder; (ii) for any injury or damage to Persons or property caused by the elements or any Owner or other Person, or by the leakage or flow of electricity, gas, water, rain or dust from any Lot, pipe, drain, conduit, appliance, equipment or other place; (iii) to any Owner or other Person under any agreement, deed, lease, mortgage, other document or transaction entered into by such Director on the Association's behalf in the performance of his or her duties; (iv) in tort or otherwise, directly or indirectly, to any Owner or other Person by virtue of his or her good faith act or failure to act; or (v) arising out of the use, misuse or condition of the Common Areas, or in any other way as a result or by virtue of such Director's performance of his or her duties. To the full extent permitted by the Corporations and Associations Article as in effect on the date hereof, or as hereafter from time to time amended, no Director or Officer shall be liable to the Association or any Owner for money damages for any breach of any duty owed by such Director or Officer to the Association or any Owner. Neither the amendment or repeal of this paragraph, nor the adoption of any term of the Bylaws inconsistent with this paragraph, shall eliminate or reduce the protection afforded by this paragraph to a current or former Director or Officer with respect to any matter which occurred, or any cause of action, suit or claim which, but for this paragraph, would have accrued or arisen, before such amendment, repeal or adoption.

(b) The Association shall defend, indemnify and hold harmless (and shall in addition have the power further to defend, indemnify and hold harmless by agreement, or by a majority vote of either the Owners or its disinterested Directors) any one or more of the following classes of Persons: (a) Present or former Directors, (b) present or former Officers, (c) present or former agents and/or employees of the Association, (d) present or former administrators, trustees or other fiduciaries under any pension, profit-sharing, deferred compensation, or other employee benefit plan maintained by the Association, and (e) Persons serving or who have served at the Association's request in any such capacity for any other corporation, partnership, joint venture, trust or other enterprise, against and from any and all liability, claim of liability or expense arising out of such Person's performance or attempted performance of its duties as such, all to the fullest extent permitted by law. Notwithstanding the foregoing, the Association shall not have the power to defend, indemnify or hold harmless any Person if and to the extent that doing so is prohibited by section 2-418 of the Corporations and Associations Article, or any statute, rule or regulation of similar import. Nothing in this paragraph shall be deemed to alter or impair any right to indemnification held by such Director or Officer either (i) by law or under the Declaration or Charter, or (ii) by authorization of the Membership or the Board of Directors, or (iii) in any other manner.

(c) Every agreement, deed, lease, mortgage or other document signed on the Association's behalf by any Director or Officer shall provide that he or she shall have no personal liability thereunder by virtue of such execution, and that any claim by any other party thereto arising hereunder shall be asserted against, and any liability thereunder shall be borne by, the Association. Any damages or expense awarded against or incurred by the Association and arising out of such liability shall be paid by the Association as an Association Expense.

Section 4. Officers.

4.1. Offices. The Officers shall consist of the President and Vice-President (who shall be elected from among the Directors), Secretary, Treasurer and such other Officers as the Board of Directors may from time to time by resolution designate and create.

4.2. Election of Officers. The Officers shall be elected at the first Board Meeting after each Annual Member Meeting.

4.3. Term. Each Officer shall hold office for a term of one year unless during such period he resigns, is removed from office or otherwise becomes disqualified to serve as such. Notwithstanding the foregoing, if the President or Vice-President resigns from his position as a Director, he shall automatically be deemed simultaneously to have resigned from such office as well.

4.4. Special appointments. The Board of Directors may elect such other Officers as the Association's affairs may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors from time to time determines.

4.5. Resignation and removal. An Officer may be removed from office with or without cause by the Board of Directors. An Officer may resign at any time by giving Notice thereof to the Board of Directors, President or Secretary. Such resignation shall take effect on the date of receipt of such Notice or at any later time specified therein and (unless otherwise specified therein) need not be accepted to be effective.

4.6. Vacancies. A vacancy in an office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the rest of the term of the Officer whom he replaced.

4.7. Multiple offices. The offices of Secretary and Treasurer may be held simultaneously by the same Person. Otherwise, no Person shall hold simultaneously more than one office, except in the case of special offices created pursuant to subsection 4.4.

4.8. Duties. The Officers shall have the following duties:

4.8.1. President. The President shall preside at all Board Meetings; see that all orders and resolutions of the Board of Directors are carried out; sign on the Association's behalf all leases, mortgages, deeds and other documents to which it is a party; and (except as the Board of Directors may otherwise direct by resolution) co-sign on the Association's behalf all checks and promissory notes which it issues.

4.8.2. Vice-President. The Vice-President shall act in the President's place and stead in the event of his absence, inability or refusal to act, and exercise and discharge such other duties as the Board of Directors prescribes.

4.8.3. Secretary. The Secretary shall record the votes and keep the minutes of all Board Meetings and proceedings and all Member Meetings; serve Notice of all Board Meetings and Member Meetings; keep appropriate, current records showing the names and Notice Addresses of the Members; and perform such other duties as the Board of Directors prescribes.

4.8.4. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association; disburse such funds as directed by resolution of the Board of Directors; sign on the Association's behalf all checks and promissory notes which it issues; keep proper books of account for the Association; cause an annual audit of the Association's books to be made by a public accountant at the completion of each of its fiscal years; prepare an annual budget and a statement of the Association's income and expenditures to be presented to the Membership at each Annual Member Meeting; and deliver a copy of each of the same to each Member.

Section 5. Notices. Whenever a Notice is to be given pursuant to the Bylaws, it shall be deemed to have been given (a) if given in the manner provided in the Declaration for the giving of Notices thereunder, and (b) when Notices provided under the Declaration are deemed to have been given.

Section 6. Amendment and construction.

6.1. Amendment. The Bylaws may be amended in and only in the following manner:

6.1.1. Generally. The Bylaws may be amended by the affirmative Votes of a Majority of those Eligible Owners in each Membership Class who are present and voting thereon at a Member Meeting held in accordance with the Bylaws, except that if such amendment is of paragraphs 3.3.1, 3.3.2, 3.3.3, 3.4.1 and/or 3.4.2, it shall not be effective unless and until approved at such Member Meeting by Eligible Owners holding a Majority of each of (a) the Votes held by the Owners of Industrial Lots, and (b) the Votes held by the Owners of Residential Lots.

6.1.2. By Developers. Anything in the Bylaws to the contrary notwithstanding,

(a) both Developers may at any time, without the consent of any Owner, Mortgagee or other Person, amend the Bylaws in any manner which, in its reasonable opinion, is needed to (i) correct obvious typographical, mathematical or similar errors therein, or (ii) cause the Bylaws to conform to any requirement now or hereafter imposed by Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Department of Housing and Urban Development, Department of Veterans Affairs or any other Authority, in connection with any mortgage insurance or guaranty, secondary mortgage market, or other program applicable to the issuance or sale of Mortgages.

(b) no amendment of the Bylaws may modify a right expressly reserved in the Bylaws for a Developer's benefit, or a term hereof required by or intended to benefit an Authority, without such benefitted Person's prior, written consent.

(c) nothing in this subsection shall be construed in derogation of any requirement in the Bylaws or the other SWM District Documents that all or a specified number of Mortgagees or Eligible Mortgagees approve specified actions of the Association.

6.2. Construction. If a conflict exists between a term of the Charter and the Bylaws, those of the Charter shall control. If a conflict exists between a term of the Declaration and the

Bylaws, those of the Declaration shall control. All references made herein to a Section or subsection shall, unless therein expressly indicated to the contrary, be deemed made to such Section or subsection of the Bylaws.


6.3. Information to be provided on resale of Lot.

6.3.1. Documentation provided to Buyer. If a Lot is sold by an Owner (other than Developer), such Owner may be required by section 11B-106 and other terms of the HOA Act to give the Buyer or prospective Buyer copies of those SWM District Documents and other information and documents referred to in such terms.

6.3.2. Resale Certificate. The Association shall, within 20 days after it receives an Owner's written request therefor and any Fee charged therefor by the Association is paid, furnish to such Owner a certificate ("**Resale Certificate**") setting forth the information required to be included therein under paragraph 6.3.1. Any Owner who provides a Resale Certificate to a prospective Buyer shall not be liable to such Buyer for any error in or omission from such information provided by the Association and included therein, and the Association shall defend, indemnify and hold harmless such Owner against and from any liability to or claim thereof by any Person, or expense, arising out of any such error or omission. Except for the Association's obligation under the immediately preceding sentence to defend, indemnify and hold harmless such Owner, the Association shall not be liable to any Owner or directly to a Buyer for any misleading or erroneous information contained in a Resale Certificate, if it has acted reasonably and exercised good faith in supplying such information.

6.3.3. Information provided by selling Owner. Within 30 days after a Lot is sold and conveyed, the selling Owner shall give the Association Notice thereof, including to the extent available the selling Owner's name and forwarding address, the new Owner's name and address, any new Mortgagee's name and address, the date of transfer, and the proportionate amounts of any outstanding Assessments assumed by each party to the transaction. Such Notice shall be in addition to the information which the new Owner is required by the Declaration to give to the Association for the Community Roster.

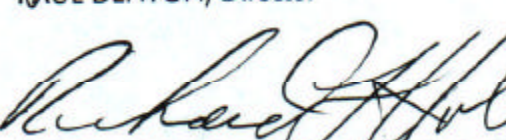
IN WITNESS WHEREOF, we, being all of the Association's Directors, have signed the Bylaws to confirm our adoption thereof, this 21st day of September, 2001.



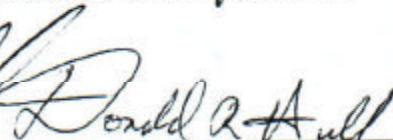
RAUL DENTON, Director



STANLEY K. WARD, Director



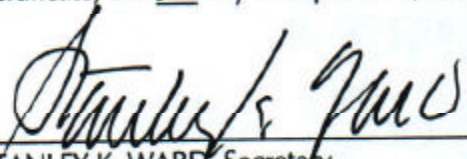
RICHARD L. HULL, Director



DONALD R. HULL, Director

SECRETARY'S CERTIFICATE

I, STANLEY K. WARD, certify that I am Secretary of TANEYTOWN SWM ASSOCIATION, INC., a Maryland nonstock corporation, and the foregoing Bylaws are such corporation's Bylaws, as adopted at a meeting of its Board of Directors on September 24th 2001. In witness whereof, I have signed this Secretary's Certificate, this 24th day of September, 2001.



STANLEY K. WARD, Secretary

Carroll County Commissioners
RECORDATION TAXAMT: 756.00DATE: 9-27-01INITIALS: Kmr 1-1-00103

474836 CARROLL CO

TANEYTOWN SWM DISTRICT

COMMON AREA DEED

53537
 THIS COMMON AREA DEED ("Deed"), made this __ day of September, 2001 between MARYLAND MIDLAND RAILWAY, INC., a Maryland corporation ("Industrial Developer") and TANEYTOWN SWM ASSOCIATION, INC., a Maryland nonstock corporation ("Association"),

WITNESSETH, THAT IN CONSIDERATION of the premises (the actual consideration paid or to be paid for the within conveyance being \$107,872.50), and for other consideration, the receipt and adequacy of which are hereby acknowledged, Industrial Developer hereby grants and conveys to the Association and its successors and assigns, in fee simple, all of that land in Carroll County, Maryland which is described in **Exhibit A** hereto, together with all improvements thereon and all rights, alleys, ways, waters, privileges, appurtenances and advantages belonging or appurtenant thereto (all of which land, improvements and appurtenances are referred to collectively herein as the **Property**),

TO HAVE AND TO HOLD the Property to the use and benefit of the Association and its successors and assigns, in fee simple, subject to the legal effect of all documents and matters existing of record or in fact when this Deed is recorded among the Land Records of the said County ("**Recorded**"),

TOGETHER WITH the benefit of those easements benefiting the Property which by a Deed dated September 1, 2001 and Recorded before this Deed is Recorded, from Richard H. Bollinger, Pearl L. Sell and Doris R. Crouse, Personal Representatives of the Estate of Pauline R. Bollinger, Deceased, *et al.*, to Industrial Developer, were granted for the benefit of the Property.

WITHOUT LIMITING THE GENERALITY of the foregoing terms of this Deed, Industrial Developer and the Association hereby acknowledge to and agree with each other, for themselves and their successors and assigns, that (1) the title to the Property being conveyed by this Deed is encumbered by, and is being conveyed subject to, a Storm Water Management Facility Declaration dated September 18, 2001 and Recorded after this Deed is Recorded, made by Prime Venturers, Industrial Developer and the Association (as heretofore or hereafter amended, the **Declaration**); (2) the terms of the Declaration (a) are part of a general plan or scheme of development and use for the Property and the other real property within the SWM District (as defined therein), as from time to time constituted, but not for any real property not within the SWM District, and (b) are and shall be covenants which run with, bind on, benefit and burden the title to the Property and the rest of the SWM District, as fully as if set forth at length in this Deed (and for that purpose they are hereby incorporated herein by reference); (4) the Property is one or more Common Areas (as defined therein); and (5) the parties hereto shall, by signing and delivering this Deed, be bound by the Declaration (including but not limited to its terms requiring the Association and its successors and assigns as owner of the Property to use it in accordance with the Declaration).

INDUSTRIAL DEVELOPER covenants that it will warrant specially the title to the Property and will give such further assurances thereof as may be requisite, subject to the legal effect of all Recorded and other documents and matters, as aforesaid; and certifies that the within grant is

not part of a transaction in which there is a sale, lease, exchange or other transfer of all or substantially all of its property and assets.

IN WITNESS WHEREOF, each party hereto has caused this Deed to be signed on its behalf by its authorized representatives, the date first above written.

WITNESS or ATTEST:

MARYLAND MIDLAND RAILWAY, INC.

[Signature]

by [Signature]
Paul Denton, President

TANEYTOWN SWM ASSOCIATION, INC.

[Signature]

by [Signature]
Richard L. Hull, President

STATE OF MD: COUNTY OF Carroll:

I CERTIFY that on this 24 day of September, 2001, before me, a Notary Public for the state and county aforesaid, personally appeared Paul Denton, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing document, who acknowledged that he is President of MARYLAND MIDLAND RAILWAY, INC., a Maryland corporation, and has been duly authorized to sign, and has signed, such document on its behalf for the purposes therein set forth; and that the same is its act and deed. In witness whereof, I have set my hand and Notarial Seal, the date first above written.

My commission expires on 2/03.

[Signature]
Notary Public

STATE OF MD: COUNTY OF CARROLL

I CERTIFY that on this 24 day of September, 2001, before me, a Notary Public for the state and county aforesaid, personally appeared Richard L. Hull, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing document, who acknowledged that he is President of TANEYTOWN SWM ASSOCIATION, INC., a Maryland nonstock corporation, and has been duly authorized to sign, and has signed, such document on its behalf for the purposes therein set forth; and that the same is its act and deed. In witness whereof, I have set my hand and Notarial Seal, the date first above written.

My commission expires on 8/05.

[Signature]
Notary Public

Sept 01 27

Document Transfer Tax in the amount of \$ -0- 9/27/01

TANEYTOWN SWM DISTRICT

COMMON AREA DEED

between

MARYLAND MIDLAND RAILWAY, INC.

and

TANEYTOWN SWM ASSOCIATION, INC.

EXHIBIT A

Description of Property

ALL OF THAT LAND in Carroll County, Maryland which is described as follows:

Description of a 4.3149 acre parcel of land located approximately 600 feet southeast of Maryland Route 194, Francis Scott Key Highway, in the City of Taneytown, 1st Election District of Carroll County, Maryland and being more particularly described as follows:

Beginning for the same at a point North 65 degrees 22 minutes 52 seconds East, 241.90 feet from a stone found at the beginning of a conveyance by Daniel O.C. Tracy and John A. Roberts, Substitute Trustees, to Prime Ventures by Deed dated April 8, 1994 and recorded among the Land Records of Carroll County, Maryland in Liber 1583, folio 966, said point also being the same bearing and distance from the beginning of the 5th or South 42 degrees 37 minutes 32 seconds West 211.25 foot line of a conveyance by John Stewart Clagett and Mary Amelia Clagett, his wife, to Percy J. Bollinger and Pauline R. Bollinger by Deed dated September 24, 1970 and recorded among the said Land Records in Liber 475, folio 515; thence running for 2 new lines of division through the second tract of a conveyance by Taneytown Bank and Trust Company et al. to Richard H. Bollinger et al. by Deed dated March 27, 1997 and recorded among the said Land Records in Liber 1967, folio 364:

1. North 88 degrees 26 minutes 08 seconds West, 511.58 feet to a point; thence
2. by a tangent curved line to the right, northwest, having a radius of 237.50 feet, an arc length of 117.83 feet and being subtended by a chord bearing North 74 degrees 13 minutes 20 seconds West, 116.63 feet to a point being 47.07 feet east of and at right angles to centerline station 2410+47.01 of the railroad right-of-way as shown on Valuation Map V31-5 and described in a conveyance by The Penn Central Corporation et al. to the State of Maryland, Maryland Department of Transportation, State Railroad Administration by Deed dated January 8, 1982 and recorded among the said Land Records in Liber 806, folio 692; thence running with said right-of-way,
3. North 39 degrees 22 minutes 00 seconds East, 543.87 feet to a point being 33.09 feet east of and at right angles to centerline station 2405+03.32; thence leaving said right-of-way

and running for four new lines of division through the aforementioned conveyance to Bollinger recorded among the said Land Records in Liber 1967 at folio 364,

4. South 82 degrees 50 minutes 59 seconds East, 251.16 feet to a point; thence
5. South 4 degrees 50 minutes 39 seconds West, 82.97 feet to a point; thence
6. South 22 degrees 33 minutes 52 seconds West, 85.00 feet to a point; thence
7. South 7 degrees 26 minutes 08 seconds East, 165.00 feet to a point; thence
8. South 23 degrees 26 minutes 08 seconds East, 120.00 feet to the point of beginning, containing 4.3149 acres, more or less.

Being part of a conveyance by Taneytown Bank and Trust Company *et al.* to Richard H. Bollinger *et al.* by Deed dated March 27, 1997 and recorded among the said Land Records in Liber 1967, folio 364.

IMP FD SURE \$	5.00
RECORDING FEE	20.00
TR TAX STATE	539.37
TOTAL	564.37
Reg# CR02	Rcpt # 43940
LRS 100	Blk # 365
Sep 27, 2001	10:57 am

State of Maryland Land Instrument Intake Sheet

Baltimore City County: CARROLL

Information provided is for the use of the Clerk's Office, State Department of Assessments and Taxation, and County Finance Office only.
(Type or Print in Black Ink Only — All Copies Must Be Legible)

1	Type(s) of Instruments	<input type="checkbox"/> Check Box if Addendum Intake Form is Attached.						
		<input checked="" type="checkbox"/> Deed	<input type="checkbox"/> Mortgage Lease	<input type="checkbox"/> Other	<input type="checkbox"/> Other			
2	Conveyance Type Check Box	<input type="checkbox"/> Improved Sale	<input checked="" type="checkbox"/> Unimproved Sale	<input type="checkbox"/> Multiple Accounts	<input type="checkbox"/> Not an Arms-Length Sale			
		Arms-Length [1]	Arms-Length [2]	Arms-Length [3]	Length Sale [9]			
3	Tax Exemptions (if Applicable) Cite or Explain Authority	Recordation						
		State Transfer						
		County Transfer						
4	Consideration and Tax Calculations	Consideration Amount			Finance Office Use Only			
		Purchase Price/Consideration	\$	107,872.50	Transfer and Recordation Tax Consideration			
		Any New Mortgage	\$		Transfer Tax Consideration	\$		
		Balance of Existing Mortgage	\$		X () % =	\$		
		Other:	\$		Less Exemption Amount	\$		
		Other:	\$		Total Transfer Tax	\$		
		Other:	\$		Recordation Tax Consideration	\$		
		Full Cash Value	\$		X () per \$500 =	\$		
5	Fees	Amount of Fees		Doc. 1	Doc. 2	Agent:		
		Recording Charge	\$	20.00	\$		Tax Bill:	
		Surcharge	\$	5.00	\$		C.B. Credit:	
		State Recordation Tax	\$	750.00	\$		Ag. Tax/Other:	
		State Transfer Tax	\$	540.00	\$			
		County Transfer Tax	\$		\$			
		Other	\$		\$			
		Other	\$		\$			
6	Description of Property SDAT requires submission of all applicable information. A maximum of 40 characters will be indexed in accordance with the priority cited in Real Property Article Section 3-104(g)(3)(i).	District	Property Tax ID No. (1)	Grantor Liber/Folio	Map	Parcel No.	Var. LOG	
		01	02495/001035	1967/0364	19	306/805	<input type="checkbox"/> (5)	
		Subdivision Name		Lot (3a)	Block (3b)	Sect/AR(3c)	Plat Ref.	SqFt/Acreage (4)
		Swm Pond - Meadowbrook						
		Location / Address of Property Being Conveyed (2)						
		Other Property Identifiers (if applicable)						
		Water Meter Account No.						
		Residential <input type="checkbox"/> or Non-Residential <input type="checkbox"/> Fee Simple <input type="checkbox"/> or Ground Rent <input type="checkbox"/> Amount:						
		Partial Conveyance? <input type="checkbox"/> Yes <input type="checkbox"/> No Description/Amt. of SqFt/Acreage Transferred:						
		If Partial Conveyance, List Improvements Conveyed:						
7	Transferred From	Doc. 1 - Grantor(s) Name(s)			Doc. 2 - Grantor(s) Name(s)			
		Maryland Midland Railway Inc.						
8	Transferred To	Doc. 1 - Grantee(s) Name(s)			Doc. 2 - Grantee(s) Name(s)			
		Taneytown Swm Assoc Inc.						
New Owner's (Grantee) Mailing Address								
9	Other Names to Be Indexed	Doc. 1 - Additional Names to be Indexed (Optional)			Doc. 2 - Additional Names to be Indexed (Optional)			
10	Contact/Mail Information	Instrument Submitted By or Contact Person				<input checked="" type="checkbox"/> Return to Contact Person		
		Name: <u>CLARK R Shaffer, Esq</u>				<input type="checkbox"/> Hold for Pickup		
		Firm: <u>6 N Court St</u> Address: <u>Westminster MD 21157</u> Phone: ()				<input type="checkbox"/> Return Address Provided		
11	Assessment Information	IMPORTANT: BOTH THE ORIGINAL DEED AND A PHOTOCOPY MUST ACCOMPANY EACH TRANSFER						
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Will the property being conveyed be the grantee's principal residence?						
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Does transfer include personal property? If yes, identify: _____						
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Was property surveyed? If yes, attach copy of survey (if recorded, no copy required).						
Assessment Use Only - Do Not Write Below This Line								
Transfer Number: 20		Date Received: 20		Deed Reference:		Assigned Property No.:		
Land		Geo.	Map	Sub	Block			
Buildings		Zoning	Grid	Plat	Lot			
Total		Use	Parcel	Section	Occ. Cd.			
REMARKS:		Town Cd.	Ex. St.	Ex. Cd.				
Distribution: White - Clerk's Office Canary - SDAT Pink - Office of Finance Goldenrod - Preparer								

Space Reserved for Circuit Court Clerk Recording Validation

REC'D 06 SEP 27 01 10:58 AM

Space Reserved for County Validation

TANEYTOWN SWM ASSOCIATION, INC.

MINUTES OF BOARD OF DIRECTORS MEETING

The first meeting of the Board of Directors of TANEYTOWN SWM ASSOCIATION, INC., a Maryland nonstock corporation ("Association") was held at the offices of Maryland Midland Railway, Inc., Union Bridge, Maryland on September 20, 2001 at 10:00 a.m., pursuant to a Call and Waiver of Notice thereof which has been signed by all of the Association's Directors and placed in its minute book. The following Directors, constituting a quorum of the Board of Directors, were present: Paul Denton, Stanley K. Ward, Richard L. Hull, and Donald R. Hull. Mr. Hull and Mr. Ward were made temporary chairman and secretary of the meeting, respectively.

Mr. Hull then presented and read, section by section, a form of bylaws ("Bylaws") for regulating the government of the Association and administering its affairs, a copy of which has been placed in the Association's minute book immediately after these minutes. After a discussion, and on a motion duly made, seconded and unanimously carried, it was duly

RESOLVED, that the form of bylaws submitted and read to this meeting is adopted as the Association's Bylaws.

An election of the Chairman of the Board of Directors was then held. Mr. Hull was nominated to be Chairman and, his nomination having been seconded and no further nomination having been made, was unanimously elected. Then, pursuant to the Bylaws and in his capacity as Chairman, he assumed the chairmanship of the meeting.

An election of the Association's officers was then held. The following persons were nominated to be its officers until the first meeting of the Board of Directors held after the next annual meeting of the Association's membership, and thereafter until their respective successors are elected and qualified, and their nominations having been seconded and no further nomination having been made, were unanimously elected:

President:	Richard L. Hull
Vice-President:	Paul Denton
Secretary:	Stanley K. Ward
Treasurer:	Richard L. Hull

Then, pursuant to the Bylaws and in his capacity as Secretary of the Association, Mr. Hull assumed the position of secretary of the meeting.

The Chairman then presented to the meeting a certified copy of the Association's Articles of Incorporation, and stated that they have been filed with and approved by the State Department of Assessments and Taxation of Maryland ("SDAT"), and that all fees charged in connection therewith have been paid. Such copy, and the SDAT's certificate of acceptance thereof for record, have been placed in the Association's minute book.

The Chairman then presented to the meeting a copy of the Storm Water Management Facility Declaration ("**Declaration**") for the SWM District dated September 18, 2001 and recorded among the Land Records of Carroll County, Maryland, by Maryland Midland Railway, Inc., Prime Venturers and the Association, which has been placed in the Association's minute book.

Then, after a discussion, and on a motion made, seconded and unanimously carried, it was duly

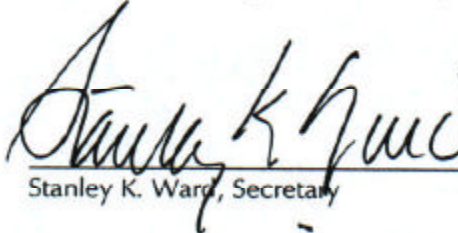
RESOLVED, that the Treasurer is authorized and directed to (1) open one or more accounts in the Association's name with such financial institutions as the Treasurer selects from time to time, and to require such authorized signatories on the Association's checks and drafts on such accounts as the President designates from time to time; and (2) pay all fees and other costs necessary for the Association's organization.

and it was further duly

RESOLVED, that whenever the Association is required to place its corporate seal on a document, the word "(SEAL)" shall be placed next to the signature of the person signing it on the Association's behalf; such word, placed in such manner, shall be the Association's corporate seal; and it shall have no other seal.

There being no further business before the meeting, it was then adjourned.

Date: September 20, 2001

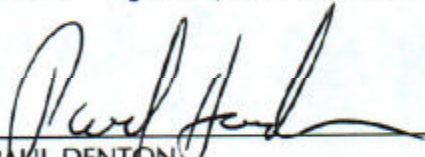


Stanley K. Ward, Secretary

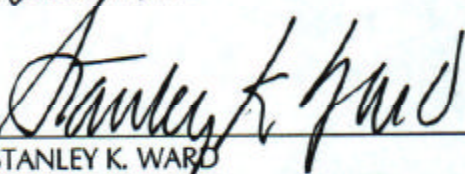
TANEYTOWN SWM ASSOCIATION, INC.

CALL AND WAIVER OF NOTICE OF
BOARD OF DIRECTORS MEETING

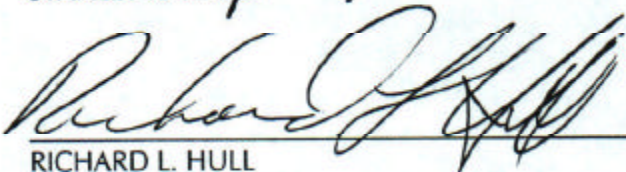
WE, THE UNDERSIGNED, being all Directors of TANEYTOWN SWM ASSOCIATION, INC., a Maryland nonstock corporation ("Association"), hereby (1) call the first meeting of the Association's Board of Directors to be held at the offices of Maryland Midland Railway, Inc., Union Bridge, Maryland on September 20, 2001 at 10:00 a.m. to elect officers and transact other business concerning the Association's organization and affairs, (2) waive our right, if any, to be given prior notice of the time, place and purpose of such meeting, and (3) consent to the transaction thereof of all business concerning the Association's organization and affairs. In witness whereof, we have signed this Call to and Waiver of Notice of Board of Directors Meeting on September 20, 2001.



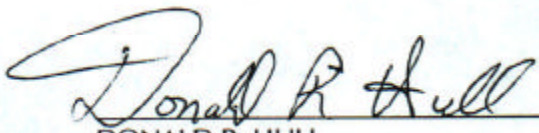
PAUL DENTON



STANLEY K. WARD



RICHARD L. HULL



DONALD R. HULL