

ADDENDUM TO AGREEMENT OF SALE

This Addendum is made this _____ day of _____, 199_, to the Agreement of Sale dated _____, 199_, for the property known as _____, located in Howard County, Maryland, between _____ (hereinafter alone and collectively referred to as "Buyer"), and _____ ("Seller" or "Vendor"). The parties agree as follows:

HOMEOWNERS ASSOCIATION DISCLOSURE

THIS SALE IS SUBJECT TO THE REQUIREMENTS OF THE MARYLAND HOMEOWNERS ASSOCIATION ACT (THE "ACT"). THE ACT REQUIRES THAT THE SELLER DISCLOSE TO YOU AT OR BEFORE THE TIME THE AGREEMENT OF SALE IS ENTERED INTO, OR WITHIN SEVEN (7) CALENDAR DAYS OF ENTERING INTO THE AGREEMENT OF SALE, CERTAIN INFORMATION CONCERNING THE DEVELOPMENT IN WHICH THE LOT YOU ARE PURCHASING IS LOCATED. THE CONTENT OF THE INFORMATION TO BE DISCLOSED IS SET FORTH IN SECTION 11B-105(B) OF THE ACT (THE "MHA INFORMATION") AS FOLLOWS:

(1) (i) THE NAME, PRINCIPAL ADDRESS AND TELEPHONE NUMBER OF THE SELLER AND OF THE DECLARANT, IF THE DECLARANT IS NOT THE SELLER; OR

(ii) IF THE SELLER IS A CORPORATION OR PARTNERSHIP, THE NAMES AND ADDRESSES OF THE PRINCIPAL OFFICERS OF THE CORPORATION, OR GENERAL PARTNERS OF THE PARTNERSHIP;

AND (2) (i) THE NAME, IF ANY, OF THE HOMEOWNERS ASSOCIATION;

(ii) IF INCORPORATED, THE STATE IN WHICH THE HOMEOWNERS ASSOCIATION IS INCORPORATED AND THE NAME OF THE MARYLAND RESIDENT AGENT;

(3) A DESCRIPTION OF:

(i) THE LOCATION AND SIZE OF THE DEVELOPMENT, INCLUDING THE MINIMUM AND MAXIMUM NUMBER OF LOTS CURRENTLY PLANNED OR PERMITTED, IF APPLICABLE, WHICH MAY BE CONTAINED WITHIN THE DEVELOPMENT; AND

(ii) ANY PROPERTY OWNED BY THE DECLARANT OR THE SELLER CONTIGUOUS TO THE DEVELOPMENT WHICH IS TO BE DEDICATED TO PUBLIC USE;

(4) IF THE DEVELOPMENT IS OR WILL BE WITHIN A PART OF ANOTHER DEVELOPMENT, A GENERAL DESCRIPTION OF THE OTHER DEVELOPMENT;

(5) IF THE DECLARANT HAS RESERVED IN THE DECLARATION THE RIGHT TO ANNEX ADDITIONAL PROPERTY TO THE DEVELOPMENT, A DESCRIPTION OF THE SIZE AND LOCATION OF THE ADDITIONAL PROPERTY AND THE APPROXIMATE NUMBER OF LOTS CURRENTLY PLANNED TO BE CONTAINED IN THE DEVELOPMENT, AS WELL AS ANY TIME LIMITS WITHIN WHICH THE DECLARANT MAY ANNEX SUCH PROPERTY;

(6) A COPY OF:

(i) THE ARTICLES OF INCORPORATION, THE DECLARATION AND ALL RECORDED COVENANTS AND RESTRICTIONS OF THE PRIMARY DEVELOPMENT AND OF OTHER RELATED DEVELOPMENTS TO THE EXTENT REASONABLY AVAILABLE, TO WHICH THE PURCHASER SHALL BECOME OBLIGATED ON BECOMING AN OWNER OF THE LOT, INCLUDING A STATEMENT THAT THESE OBLIGATIONS ARE ENFORCEABLE AGAINST AN OWNER AND THE OWNER'S TENANTS, IF APPLICABLE; AND

(ii) THE BY-LAWS AND RULES OF THE PRIMARY DEVELOPMENT AND OF THEIR RELATED DEVELOPMENTS TO THE EXTENT REASONABLY AVAILABLE, TO WHICH THE PURCHASER SHALL BECOME OBLIGATED ON BECOMING AN OWNER OF THE LOT, INCLUDING A STATEMENT THAT THESE OBLIGATIONS ARE ENFORCEABLE AGAINST AN OWNER AND THE OWNER'S TENANTS, IF APPLICABLE;

(7) A DESCRIPTION OR STATEMENT OF ANY PROPERTY WHICH IS CURRENTLY PLANNED TO BE OWNED, LEASED, OR MAINTAINED BY THE HOMEOWNERS ASSOCIATION;

(8) A COPY OF THE ESTIMATED PROPOSED OR ACTUAL ANNUAL BUDGET FOR THE HOMEOWNERS ASSOCIATION FOR THE CURRENT FISCAL YEAR, INCLUDING A DESCRIPTION OF THE REPLACEMENT RESERVES FOR COMMON AREA IMPROVEMENTS, IF ANY, AND A COPY OF THE CURRENT PROJECTED BUDGET FOR THE HOMEOWNERS ASSOCIATION BASED UPON THE DEVELOPMENT FULLY EXPANDED IN ACCORDANCE WITH EXPANSION RIGHTS CONTAINED IN THE DECLARATION;

(9) A STATEMENT OF CURRENT OR ANTICIPATED MANDATORY FEES OR ASSESSMENTS TO BE PAID BY OWNERS OF LOTS WITHIN THE DEVELOPMENT FOR THE USE, MAINTENANCE AND OPERATION OF COMMON AREAS AND FOR OTHER PURPOSES RELATED TO THE HOMEOWNERS ASSOCIATION AND WHETHER THE DECLARANT OR SELLER WILL BE OBLIGATED TO PAY THE FEES IN WHOLE OR IN PART;

(10) (i) A BRIEF DESCRIPTION OF ZONING AND OTHER LAND USE REQUIREMENTS AFFECTING THE DEVELOPMENT; OR

(ii) A WRITTEN DISCLOSURE OF WHERE THE INFORMATION IS AVAILABLE FOR INSPECTION;

(11) A STATEMENT REGARDING:

(i) WHEN MANDATORY HOMEOWNERS ASSOCIATION FEES OR ASSESSMENTS WILL FIRST BE LEVIED AGAINST OWNERS OF LOTS;

(ii) THE PROCEDURE FOR INCREASING OR DECREASING SUCH FEES OR ASSESSMENTS;

(iii) HOW FEES OR ASSESSMENTS AND DELINQUENT CHARGES WILL BE COLLECTED;

(iv) WHETHER UNPAID FEES OR ASSESSMENTS ARE A PERSONAL OBLIGATION OF OWNERS OF LOTS;

(v) WHETHER UNPAID FEES OR ASSESSMENTS BEAR INTEREST AND IF SO, THE RATE OF INTEREST;

(vi) WHETHER UNPAID FEES OR ASSESSMENTS MAY BE ENFORCED BY IMPOSING A LIEN ON A LOT UNDER THE TERMS OF THE MARYLAND CONTRACT LIEN ACT; AND

(vii) WHETHER LOT OWNERS WILL BE ASSESSED LATE CHARGES OR ATTORNEYS' FEES FOR COLLECTING UNPAID FEES OR ASSESSMENTS AND ANY OTHER CONSEQUENCES FOR THE NONPAYMENT OF THE FEES OR ASSESSMENTS;

(12) IF ANY SUMS OF MONEY ARE TO BE COLLECTED AT SETTLEMENT FOR CONTRIBUTION TO THE HOMEOWNERS ASSOCIATION OTHER THAN PRO-RATED FEES OR ASSESSMENTS, A STATEMENT OF THE AMOUNT TO BE COLLECTED AND THE INTENDED USE OF SUCH FUNDS; AND

(13) A DESCRIPTION OF SPECIAL RIGHTS OR EXEMPTIONS RESERVED BY OR FOR THE BENEFIT OF THE DECLARANT OR THE SELLER, INCLUDING:

(i) THE RIGHT TO CONDUCT CONSTRUCTION ACTIVITIES WITHIN A DEVELOPMENT;

(ii) THE RIGHT TO PAY A REDUCED HOMEOWNERS ASSOCIATION FEE OR ASSESSMENT; AND

(iii) EXEMPTIONS FROM USE RESTRICTIONS OR ARCHITECTURAL CONTROL PROVISIONS CONTAINED IN THE DECLARATION OR PROVISIONS BY WHICH THE DECLARANT OR THE SELLER INTENDS TO MAINTAIN CONTROL OVER THE HOMEOWNERS ASSOCIATION.

IF YOU HAVE NOT RECEIVED ALL OF THE MHAA INFORMATION FIVE (5) CALENDAR DAYS OR MORE BEFORE ENTERING INTO THE AGREEMENT OF SALE, YOU HAVE FIVE (5) CALENDAR DAYS TO CANCEL THIS AGREEMENT OF SALE AFTER RECEIVING ALL THE MHAA INFORMATION. YOU MUST CANCEL THE AGREEMENT OF SALE IN WRITING, BUT YOU DO NOT HAVE TO STATE A REASON. THE SELLER MUST ALSO PROVIDE YOU WITH NOTICE OF ANY CHANGES IN MANDATORY FEES EXCEEDING 10% OF THE AMOUNT PREVIOUSLY STATED TO EXIST AND COPIES OF ANY OTHER SUBSTANTIAL AND MATERIAL AMENDMENT TO THE INFORMATION PROVIDED TO YOU. YOU HAVE THREE (3) CALENDAR DAYS TO CANCEL THIS AGREEMENT OF SALE AFTER RECEIVING NOTICE OF ANY CHANGES IN MANDATORY FEES, OR COPIES OF ANY OTHER SUBSTANTIAL OR MATERIAL AMENDMENT TO THE MHAA INFORMATION WHICH ADVERSELY AFFECTS YOU. IF YOU DO CANCEL THE AGREEMENT OF SALE YOU WILL BE ENTITLED TO A REFUND OF ANY DEPOSIT YOU MADE ON ACCOUNT OF THE AGREEMENT OF SALE. HOWEVER, UNLESS YOU RETURN THE MHAA INFORMATION TO THE SELLER WHEN YOU CANCEL THE AGREEMENT OF

SALE, THE SELLER MAY KEEP OUT OF YOUR DEPOSIT THE COST OF REPRODUCING THE MHAA INFORMATION, OR \$100.00, WHICHEVER AMOUNT IS LESS. BY PURCHASING A LOT WITHIN THIS DEVELOPMENT, YOU WILL AUTOMATICALLY BE SUBJECT TO VARIOUS RIGHTS, RESPONSIBILITIES, AND OBLIGATIONS, INCLUDING THE OBLIGATION TO PAY CERTAIN ASSESSMENTS TO THE HOMEOWNERS ASSOCIATION WITHIN THE DEVELOPMENT. THE LOT YOU ARE PURCHASING MAY HAVE RESTRICTIONS ON:

- (1) ARCHITECTURAL CHANGES, DESIGN, COLOR, LANDSCAPING OR APPEARANCE;
- (2) OCCUPANCY DENSITY;
- (3) KIND, NUMBER, OR USE OF VEHICLES;
- (4) RENTING, LEASING, MORTGAGING OR CONVEYING PROPERTY;
- (5) COMMERCIAL ACTIVITIES; OR
- (6) OTHER MATTERS.

YOU SHOULD REVIEW THE MHAA INFORMATION CAREFULLY TO ASCERTAIN YOUR RIGHTS, RESPONSIBILITIES AND OBLIGATIONS WITHIN THE DEVELOPMENT.

Pursuant to the Maryland Homeowner's Association Act, Title 11B, et seq., of the Real Property Article of the Maryland Annotated Code, Seller discloses to Buyer the following information relating to The Trails At Woodlot Homeowners Association, Inc. (the "Development"), including the Lot which the Buyer is purchasing from the Seller:

1. The name and telephone number of the Declarant of the Amended and Restated Declaration of Covenants, Conditions and Restrictions (the "Declaration") establishing the Development is:

Name of Declarant: JOHN LEE CARROLL, JR., MARY CARTER CARROLL ZIEGLER, THOMAS T. CARROLL, GENEVIEVE ANNE CARROLL, NATALIE ZIEGLER ZIRSCHKY, ALSO KNOWN AS NATALIE CARROLL ZIEGLER, JESSICA ZIEGLER CARDEW and SOPHIE ZIEGLER (collectively)

Address for Declarant: c/o WOODLOT ENTERPRISES, INC.
5026 Dorsey Hall Drive, Suite 204
Ellicott City, Maryland 21042

Telephone number for Declarant: (410) 964-5522

2. The Seller of your Lot is:

3. _____ is a _____ with its principal office at _____ telephone number _____.

4. The principal officers of the Seller are:

The address for the above principal officers is _____

5. The name of the Homeowners Association is:

"THE TRAILS AT WOODLOT HOMEOWNERS ASSOCIATION, INC."

6. The Trails At Woodlot Homeowners Association, Inc. (the "Association") is a Maryland corporation. The Resident Agent of the Association is Rachel M. Hess, whose address is 9505 Reisterstown Road, 3N, Owings Mills, Maryland 21117.

7. The Development is a planned unit development containing the property situate in the Fifth Election District of Howard County, Maryland, comprised of approximately 44.410 acres of land, more or less, which is more fully described in Exhibit "A" of the Declaration. The Development is shown on the Plat entitled, "Woodlot Section 1 Lots 1 Thru 92", which Plat is recorded among the Plat Records of Howard County, Maryland (hereinafter referred to as the "Plat") as Nos. 11206-11214. In addition, under the Declaration, the Declarant has reserved the right to annex into the Association additional land. A description of the Declarant's right to annex is fully set forth in Article IX of the Declaration, and a description of the Property which may be annexed is described in Exhibit "B" of the Declaration. It is anticipated that the Association shall ultimately contain one hundred and twenty-two (122) units, comprised of thirty-two (32) townhomes and ninety (90) single family homes. Phase 1 shall consist of ninety-two (92) lots, which is to be composed of nine (9) open space lots, thirty-two (32) townhomes and fifty-one (51) single family homes; and Phase 2 is planned to contain thirty-nine (39) single family homes, with any appurtenant open space.

8. There is no property owned by the Declarant contiguous to the Property which has been or will be dedicated to public use.

9. This Association is not part of any other development.

10. The Declarant has reserved the right to annex property into the Association in accordance with the provisions of Article IX of the Declaration.

11. A copy of the Declaration, Architectural Guidelines, if any, Rules and Regulations, if any, Amended Articles of Incorporation and Amended and Restated By-Laws which shall be binding on the Owners in the Association, and all other recorded covenants and restrictions applicable to the Development to which the Buyer shall become obligated upon becoming an owner of a lot in the Development are attached hereto. These obligations shall be binding against the Buyer and the Buyer's tenants.

12. Any restrictions on architectural changes, design, color, landscaping, appearance, occupancy density, the kind, number or use of vehicles, the renting, leasing, mortgaging or conveying of property and restrictions on commercial activities are described in the Declaration, the Architectural Guidelines and the Rules and Regulations, if any, and you are urged to refer to these documents for such information.

13. It is anticipated that there shall be one or more private entrance monuments for the Development, which the Association shall manage, maintain, repair and replace, as needed, including any surrounding grassy, open space appurtenant thereto, and other open space, which is not dedicated to Howard County. The foregoing described areas are shown on the Plat for the Development.

14. Attached to this Certificate is a copy of the proposed budget for the Association for the first fiscal year, including a description of the replacement reserves for common area improvements, if applicable.

15. Current/anticipated mandatory fees imposed on owners of lots in the Association for the use, maintenance and operation of those areas described in item number 13 herein, as well as for any other purposes related to the Association, shall be Eighty Dollars (\$80.00) per year for owners of single family homes and Six Hundred Dollars (\$600.00) per year for owners of townhome units, all as more particularly described in the attached proposed budget. The obligation of the Declarant and/or the Vendor for assessments is more fully addressed in Article V of the Declaration.

16. Information regarding the zoning and other land use requirements affecting the Development is available for inspection at the Howard County Government, Department of Planning and Zoning, 3430 Courthouse Drive, Ellicott City, Maryland 21043, Telephone Number: (410) 313-2350.

17. You should refer to the Declaration, Amended Articles of Incorporation and Amended and Restated By-Laws for information and details concerning:

- A. When mandatory Association fees or assessments will first be levied against owners of lots;
- B. The procedure for increasing or decreasing such fees or assessments;
- C. How fees or assessments and delinquent charges will be collected;
- D. Whether unpaid fees or assessments are a personal obligation of owners of lots;
- E. Whether unpaid fees or assessments bear interest and if so, the rate of interest;
- F. Whether unpaid fees or assessments may be enforced by imposing a lien on a lot under the terms of the Maryland Contract Lien Act; and

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

18. It is not planned that any sums of money collected at settlement for contribution to the Association other than prorated fees or assessments.

19. You are urged to read the Declaration for a description of special rights or exemptions reserved by or for the benefit of the Declarant and the Vendor, including:

- (i) The right to conduct construction activities within the Development;
- (ii) The right to pay a reduced Association fee or assessment; and
- (iii) Exemptions from use restrictions or architectural control provisions contained in the Declaration or provisions by which the Declarant or the Seller intend to maintain control over the Association.

NOTHING IN THIS ADDENDUM IS IN ANY WAY INTENDED TO ALTER OR AMEND THE COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, POWERS OR DUTIES CONFERRED OR SET FORTH IN THE DOCUMENTS LISTED ABOVE. ANY CONFLICT BETWEEN THIS ADDENDUM AND THE TERMS OF THE DOCUMENTS IS PURELY INADVERTANT, AND ANY PROSPECTIVE LOT PURCHASER IS CAUTIONED THAT IN THE CASE OF ANY SUCH CONFLICT THE TERMS OF THE DOCUMENTS ARE INTENDED TO CONTROL.

This Buyer acknowledges that Buyer was given, at or before the time the Agreement of Sale was entered into between the Seller and the Buyer, the foregoing Addendum containing disclosures required by the Maryland Homeowners Association Act Maryland Annotated Code, Real Property Article, Title 11B, et seq., including the following Exhibits:

(Buyer's initials)

_____ Amended and Restated Declaration of Covenants, Conditions and Restrictions

_____ Amended Articles of Incorporation

_____ Amended and Restated By-Laws

_____ Proposed Budget

_____ Management Agreement

BUYER(S)

Date

Date

SELLER

By: _____
Division VP/Sales Manager Date

Prepared By:

Sales Representative Date