

BY-LAWS
OF
GRACE MANOR HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

Section 1. Name and Location. The name of the corporation is GRACE MANOR HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Association shall be located at 3722 Birchmere Court, Owings Mills, Maryland 21117, but meetings of the Members and Directors may be held at such places within Maryland as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Articles of Incorporation" shall mean and refer to the Articles of Incorporation filed with the Maryland State Department of Assessments and Taxation creating Grace Manor Homeowners' Association, Inc.

Section 2. "Association" shall mean and refer to Grace Manor Homeowners' Association, Inc., its successors and assigns.

Section 3. "Declarant" shall mean and refer to JLR Associates Limited Partnership, a Maryland limited partnership, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development and such parties have been designated as a Successor Declarant, pursuant to the provisions of the Declaration, as hereinafter defined.

Section 4. "Declaration" shall mean and refer to the Grace Manor Homeowners' Association, Inc. Declaration of Covenants, Conditions and Restrictions

applicable to the Property as recorded among the Land Records of Harford County, Maryland, and any amendments or supplements thereto.

Section 5. “Lot” shall mean and refer to any plot of land denominated on or upon any recorded subdivision plat of the Property as a lot upon which a dwelling may be constructed.

Section 6. All references herein to a “majority” or some other percentage of the Members or of votes shall mean a majority of all votes entitled to be cast by all Members, without separation by Class.

Section 7. “Management Agent” as defined hereinafter in Article XI.

Section 8. “Member” shall mean and refer to those persons entitled to membership in the Association as provided in the Articles of Incorporation.

Section 9. “Property” shall mean and refer to that certain real property located in the Sixth Election District of Harford County, Maryland comprised of approximately 34.5 acres of land and more particularly described in Exhibit A to the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Corporation by amendments or supplements to the aforesaid Declaration.

Section 10. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of fee simple or leasehold title to any Lot which is a part of the property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 11. “Successor Declarant” shall mean and refer to any person or entity who or which is a successor or assignee from the Declarant, has been expressly designated by

Declarant as a Successor Declarant, and has acquired one or more Lots for the purpose of improving the Lot(s) for resale to an Owner.

ARTICLE III

MEMBERSHIP AND VOTING

Classification of the Members of the Association and the Association's right to suspend any Member's membership rights for failure to pay assessments are set forth and described in the Articles of Incorporation and the Declaration.

ARTICLE IV

MEETINGS OF THE MEMBERS

Section 1. Place of Meetings. Meetings of the Members shall be held at the principal office or places of business of the Association, or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of the conveyance of the first Lot to an Owner who intends to reside in the dwelling located on the Lot and each subsequent regular annual meeting of the Members shall be held on some week of the same month of each year thereafter.

Section 3. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors or upon written request of either the Class B Member or one-fourth of all the Class A Members who are entitled to vote.

Section 4. Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or such other person authorized to call the meeting by delivering a copy of the notice of such meeting to the Member, or at the Secretary's election by mailing a copy of such notice, postage prepaid, at least ten (10) days in

advance of such meeting addressed to the Member's last address appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and in the case of a special meeting, the purpose of the meeting.

Section 5. Quorum. The presence at the meeting of Members (or proxies) entitled to cast sixty percent (60%) of all votes entitled to be cast, without regard to class of membership, shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the members present at said meeting shall constitute a quorum. No subsequent meeting, however, shall be held more than sixty (60) days following the date of the prior hearing.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of an odd number of directors, not less than three (3), who need not be Members of the Association.

Section 2. Term of Office. At the first annual meeting, the Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the Members shall elect one (1) director for a term of three (3) years. In the event the Members increase the number of directors, such additional directors shall be elected to a staggered term in accordance herewith.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of death, resignation or removal

of a director, his successor shall be selected by the remaining directors and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association, unless approved by a vote of seventy-five percent (75%) of the Members. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority (or other required percentage) of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made by written nomination signed by at least ten (10) Class A Members or by the Class B Member, and presented to the Secretary of the Association at least thirty (30) days before the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be director, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETING OF DIRECTORS

Section 1. Regular Meetings. The Board of Directors shall hold meetings at such times and at such places as may be mutually agreed upon by the Board; but no fewer than twice in any year. A schedule of such meetings shall be sent to the Members when promulgated by the Secretary, but no further notices need be sent.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice in writing or by telephone or in person to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area, including any improvements and amenities located thereon, and the personal conduct of the Members and their guests, and to establish penalties for the infraction thereof.

(b) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association;

(c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these By-Laws or the Articles of Incorporation;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager, independent contractor or such other individuals, entities or employees as they deem necessary and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporation affairs and to present a statement thereof to the Members at the meetings of the Members, or at any special meeting when such statement is requested in writing prior to such meeting;

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration:

1. fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

2. send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

3. foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same;

(d) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(f) cause the Storm Water Management Area and Common Areas, as those terms are defined in the Declaration, to be maintained in accordance with, and as set forth more fully in the Declaration; and

(g) cause the Lots to be maintained to the extent provided in the Declaration.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a President, a Secretary, and a Treasurer, all of whom shall be Members and such other officers as the Board of Directors may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following such annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board of Directors may appoint such other persons as the affairs of the Association may require, each of whom shall hold office for such period, not to exceed one (1) year, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 5. Resignation and Removal. Any officers may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, not to exceed one (1) year, and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaced.

Section 7. Multiple Officers. With the exception of the offices of Secretary and Treasurer which may be held by the same person, no person shall simultaneously hold more than one (1) of any of the offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all instruments and shall co-sign all checks and promissory notes.

Secretary

(b) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep any corporate seal adopted by the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association with their addresses, and shall perform such other duties as required by the Board of Directors.

Treasurer

(c) The Treasurer shall receive and deposit in appropriate accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members. The duties of the Treasurer relating to receipt and disbursement of funds may be delegated by the Board of Directors to the Management Agent.

ARTICLE X

COMMITTEES

The Association shall appoint an Architectural Review Committee, as provided for in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition,

the Board of Directors shall appoint such other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

MANAGEMENT AGENT

The Board of Directors may employ for the Association a management agent (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 authorize, including but not necessarily limited to, the duties set out in subsections (a) through (g) of Section 2 of Article IV.

ARTICLE XII

CORPORATE SEAL

If the Board of Directors elects that the Association have a seal, the seal shall be in circular form having the words "GRACE MANOR HOMEOWNERS' ASSOCIATION, INC." and "MARYLAND" around the circumference and the number 2001 within its circumference.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present at two (2) consecutive meetings of its Members, or at any one meeting by seventy-five percent (75%) of all votes entitled to be cast, either in person or by proxy or by written absentee ballot in the form prescribed by the Board of Directors.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

ASSESSMENTS

Members shall be obligated to pay assessments in such amounts and at such times, and subject to such penalties for non-payment thereof, as set forth in the Declaration.

ARTICLE XV

RULES OF ORDER

All questions of order should be decided by the President who shall be guided by Robert Rules of Order, Revised. No Member shall have the right of the floor on one subject longer than ten minutes, although the Chair may, in its discretion, extend such time.

ARTICLE XVI

MISCELLANEOUS

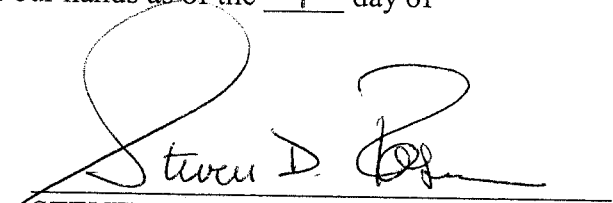
Section 1. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Audit. At the close of each fiscal year the books and records of the Association may be audited by a certified public accountant or other person acceptable to the Board of Directors, whose report will be prepared and certified in accordance with the requirements of the Board of Directors. Based upon such report, the Association shall furnish its Members an annual financial statement including the income and disbursements of the Association.

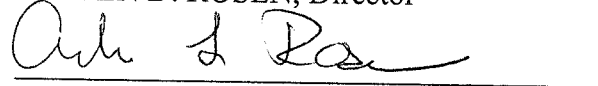
Section 3. Execution of Association Documents. With the prior authorization of the Board of Directors, all notes, contracts, and other documents shall be executed on behalf of the Association by either the President or Vice President, and all checks and other drafts shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time by the Board of Directors authorized to do so.

Section 4. Books and Records. The books, records and papers of the Association shall at all reasonable times be subject to inspection by any Member, either at the principal office of the Association or at the office of the Management Agent. The Declaration, the Articles of Incorporation and the By-Laws of the Association, shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.


IN WITNESS WHEREOF, we, being all of the directors of the Grace Manor Homeowners' Association, Inc., have hereunto set our hands as of the 9 day of NOVEMBER, 2001.



STEVEN D. ROSEN, Director



ANDREA L. ROSEN, Director

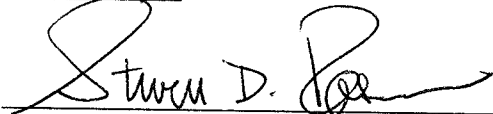


ALLEN RICHARD VORNADORE,
Director

CERTIFICATION

I, THE UNDERSIGNED, do hereby certify that I am the duly elected and acting Secretary of the Grace Manor Homeowners' Association, Inc., a Maryland corporation, and that the foregoing By-Laws constitute the original By-Laws of said Corporation, as duly adopted by unanimous written consent of the Board of Directors as of the 9 day of NOVEMBER, 2001.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Corporation as of the 9 day of NOVEMBER, 2001.



STEVEN D. ROSEN, Secretary