

**HOMEOWNERS
ASSOCIATION
DISCLOSURE STATEMENT
FOR
THE MEADOWS AT PERRY HALL FARMS
COMMUNITY ASSOCIATION, INC.**

PERRY HALL, BALTIMORE COUNTY, MARYLAND

BY PERRY HALL FARMS JOINT VENTURE
DEVELOPER

DECEMBER 5, 1997

LAW OFFICE OF CYNTHIA K. HITT
3600 CRONDALL LANE, SUITE 103
OWINGS MILLS, MARYLAND 21117
410 363 9600
ATTORNEY FOR THE DEVELOPER

HOMEOWNERS ASSOCIATION
DISCLOSURE STATEMENT
FOR
THE MEADOWS AT PERRY HALL FARMS
COMMUNITY ASSOCIATION, INC.

This Disclosure Statement is provided to lot purchasers of lots in The Meadows at Perry Hall Farms (the "Development") in Baltimore County, Maryland pursuant to the Maryland Homeowners Association Act. Md. Real Prop. Code Ann., Section 11B-101, et seq. (1996 Repl. Vol., 1997 Cum. Supp.) Lot purchasers are strongly encouraged to review the contents of this Disclosure Statement and the attached documents, in order to better understand their rights and obligations, as well as the rights and obligations of the Developer and the Association.

This Disclosure Statement contains all factual information about the Development which the Developer has authorized to be provided. The Developer will not be responsible for any information or representations made by or received from any other source. Other disclosures may be required to be made to lot purchasers by the Vendor of such Lots.

The property which has been subjected to the Declaration of Covenants, Conditions and Restrictions (the "Declaration") attached hereto as Exhibit 1 and made a part hereof, is referred to herein as the Development. Certain other capitalized terms used in this Disclosure Statement have the meaning specified in the Declaration. The Declaration and each provision thereof is applicable to all Lots and Owners within the community known as The Meadows at Perry Hall Farms.

NOTHING IN THIS DISCLOSURE STATEMENT IS INTENDED TO ALTER OR AMEND THE COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, POWERS OR DUTIES CONFERRED OR SET FORTH IN THE DOCUMENTS. IN THE CASE OF ANY CONFLICT BETWEEN THESE DISCLOSURES AND THE TERMS AND CONDITIONS OF THE DOCUMENTS, THE DOCUMENTS ARE INTENDED TO CONTROL.

SECTION 1.

Developer/Declarant: **PERRY HALL JOINT VENTURE**

Principal Address
of Developer/Declarant: c/o Residential Realty Group, Inc.
3600 Crondall Lane, Suite 103
Owings Mills, Maryland 21117

Telephone Number: 410 654 4444

Partners: JTL-Perry Hall Associates Limited Partnership
Hampton-Perry Hall Associates Limited Partnership

The Developer/Declarant reserves the right to change the names and addresses of its partners, in its sole discretion, as it deems appropriate from time to time. In this Disclosure Statement the words "Developer" and "Declarant" are used interchangeably.

Vendor/Builder: **NVR HOMES, INC.**

Principal Address
of NVR Homes, Inc: 7939 Honeygo Boulevard, Suite 100
Baltimore, Maryland 21236

Telephone Number: 410 931 6833

Principal Corporate Officers: Thomas Buecher Area President
Michael Cannizo Senior Vice President -
Administration
Paul C. Saville Senior Vice President/Chief
Financial Officer
Dwight Schar Chairman of the Board/Chief
Executive Officer

Vendor/Builder: PERRY LANDMARK, INC.
T/A MARYLAND LANDMARK NEW HOMES GROUP

Principal Address
of Landmark: P.O. Box 216
Kingsville, Maryland 21087

Telephone Number: 410 803 8440

Principal Corporate Officers: Gary S. Houston, President/Treasurer
Paul Amirault, Vice President/Secretary

SECTION 2.

The name of the Association as established in its Articles of Incorporation is **THE MEADOWS AT PERRY HALL FARMS COMMUNITY ASSOCIATION, INC.** The Association is incorporated in the State of Maryland. The resident agent of the Association is:

Cynthia K. Hitt
Law Office of Cynthia K. Hitt
3600 Crondall Lane, Suite 103
Owings Mills, Maryland 21117

SECTION 3.

The Development is located in the 11th Election District of Baltimore County, Maryland. The Development, Section One, consists of approximately 40.40 acres and contains 103 Lots, roadways, stormwater management reservation areas and highway widening areas. The Developer intends to dedicate and convey to Baltimore County, and the Developer expects Baltimore County to take title to: (i) the roadways, Forge Acre Drive, Perry Farms Drive, Chapel Manor Court, Arbour Green Court, Perry Manor Court, Silver Gate Court and Farm Brook Court; (ii) the stormwater management reservation areas; and (iii) the highway widening areas, all as shown and depicted on the plats for Section One of Perry Hall Farms.

The Developer reserves the right to amend the Development Plan for the Development, to modify or alter the size, building style, number and/or location of the dwelling units to be constructed upon the Lots, and to take any other action as it deems necessary or desirable in furtherance of the completion of the Development. Without limiting the generality of this reservation of right, the Developer reserves the right to re-subdivide all or a portion of the Development, to convey all or a portion of the Development and/or to modify the types of dwelling units constructed upon the Lots. The Developer also reserves the right to modify the price of dwelling units, in its sole discretion. Any property not actually annexed into the Association may be conveyed, transferred or otherwise developed by the Developer or by others.

The Developer owns real property contiguous to or in the vicinity of the Development that is intended to be dedicated to public use. See a description of such property in the Disclosure for the Perry Hall Farms Master Association, Inc. (the "Master Association"). Developer reserves the right to later acquire additional contiguous property and to utilize such property for any lawful purpose.

The Development is part of the development known as Perry Hall Farms. The Association is a Member of the Master Association. It is anticipated that once completed, the entire Perry Hall Farms community will contain a mixture of single family detached dwelling units (Homeowners SubAssociations), townhouse dwelling units (aHomeowners SubAssociation), condominium garage townhouse units (Condominium SubAssociations) and condominium garden style units (Condominium SubAssociations). See the Disclosure for the Master Association for more information.

SECTION 4.

Developer does not anticipate that additional property will be annexed into the Association, however, any rights to annex additional property and to de-annex the property are fully set forth in Article IV of the Declaration.

SECTION 5.

Copies of the Declaration, Articles of Incorporation and By-Laws of the Association are attached hereto and made a part hereof as Exhibits 1, 2 and 3, respectively. All lot and unit owners (referred to herein as "Owners") within the Association will be subject to the covenants, conditions and restrictions contained within the Declaration. The Declaration contains, among other covenants and obligations, certain covenants and restrictions regarding the payment of assessments (Article V), maintenance (Article VI), architectural standards (Article VIII) and use restrictions (Article IX). The covenants, conditions and restriction set forth in the documents are enforceable against each Owner and against the Owner's family members, guests and tenants.

SECTION 7.

There are no Common Areas in the Development for which the Association will be responsible. There are Common Areas in other sections of Perry Hall Farms for which the Master Association will be responsible. See the Disclosure for the Master Association for further information.

Roadways and Storm Water Management Reservations designated on the Plats will be constructed by the Developer pursuant to a public works agreement with Baltimore County and will be dedicated and deeded to Baltimore County once completed and accepted.

SECTION 8.

A copy of a proforma Budget for the Association following the annexation of all additional land is attached hereto as Exhibit 4. This Budget is an estimate only, and the Developer does not warrant or in any way represent that sufficient funds have been budgeted to cover all common expenses that may hereafter be incurred. Because actual expenditures may differ from estimated expenditures, such estimates are not intended or considered as guarantees of any kind whatsoever. The proforma Budget contains an itemization of proposed reserves for operating reserves, and for repair and replacement of improvements in the Development. Although the purpose of reserves is to set aside funds for expenses of a non-recurring nature, the Developer makes no representation as to whether the reserve amounts contained in the Budgets are adequate for that purpose. The estimates are based on 1997 price levels and there is no allowance for price increases which may occur in the future.

There is no actual Budget for the Association for the first Assessment Year since it not anticipated that the Association will require any funds for its stated purposes during the first Assessment Year. By written agreement, for the first Assessment Year, the Developer has elected to pay no Assessments and to fund any deficit or shortfall for all actual costs and expenses applicable to the operation of the Association during the first Assessment Year.

SECTION 9.

Under the proforma Budget, the anticipated mandatory annual assessment to be paid by each Owner to the Association is One Hundred Sixty Eight Dollars (\$168.00) per Lot. This assessment is in addition to the assessment(s) payable to the Master Association. See the Disclosure for the Master Association for more information. Article V of the Declaration establishes the manner in which the annual assessment may be increased by the Board of Directors, as well as the purposes for which the assessments may be used.

Pursuant to Article V, Section 6, the Developer has the right to elect to pay a reduced rate of assessment or to pay no assessments for the Lot(s) owned by the Developer or the Vendors. In any Assessment Year during the Development Period (as that term is defined in the Declaration) that the Developer elects to pay no assessments, the Developer shall be financially responsible for any deficit or shortfall in the actual operating expenses of the Association.

SECTION 10.

Information regarding Baltimore County zoning and other land use requirements affecting the Development and the Lots located within the Development is available at the Office of Zoning Administration and Development Management (ZADM) for Baltimore County, 111 W. Chesapeake Avenue, Towson, Maryland 21204. Information regarding State land use requirements is available at the Department of State Planning, State Office Building, 301 West Preston Street, Room 107, Baltimore Maryland 21201.

SECTION 11.

All mandatory Master Association and Association assessments and other permitted charges imposed upon the Owners of Lots are subject to collection in accordance with Article V of the Declaration and the Maryland Contract Lien Act (Title 14-201, et seq. of the Real Property Article, Annotated Code of Maryland).

Article V of the Declaration contains a clear statement concerning the covenant for Assessments, including the following information: (i) when Assessments will first be levied against Owners; (ii) the procedure for increasing or decreasing the Assessments; (iii) how the Assessments and delinquent charges will be collected; (iv) that delinquent charges are the personal obligation of the Owner of the Lot so assessed; (v) that unpaid Assessments bear interest at the rate of 18% per annum; (vi) that unpaid Assessments may be enforced by imposing a lien on a Lot under the terms of the Maryland Contract Lien Act; and (vii) that the Owners will be assessed late charges, attorneys' fees and costs for the collection of delinquent assessments and permitted charges.

The Assessments for the Master Association may be collected from the Owners, however, it is anticipated that the Assessments will be collected by the Sub Association(s) and paid by the Sub Association(s) to the Master Association. Therefore it is anticipated, and the proforma budget so reflects, that the Association will collect both the Association assessments and the Master Association assessments.

SECTION 12.

The Developer will not be collecting any contribution to the Association, other than prorated fees or assessments, if any, at time of settlement on the Lots.

SECTION 13.

All special rights or exemptions reserved by or for the benefit of the Developer are contained within the Declaration, Articles of Incorporation and By-Laws of the Association.

Date: December 5, 1997