

fund for repairs and replacements of the Common Area by the allocation and payment yearly to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

(b) The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any member of the Association in any such reserves shall be considered an appurtenance of such Record Owner's Lot and shall not be separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

8.14 INITIAL CAPITAL CONTRIBUTION. At settlement for each Lot, an amount equal to One Hundred Dollars (\$100.00) shall be paid from each prospective member of the Association (other than the Declarant or a Builder), for the purpose of start-up expenses and operating contingencies.

ARTICLE IX

INSURANCE AND CASUALTY LOSSES

9.1 TYPES OF INSURANCE MAINTAINED BY ASSOCIATION. The Board of Directors shall have the authority to and shall obtain the following types of insurance:

(a) insurance on all insurable improvements on the Common Area against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief in an amount sufficient to cover the full replacement cost of such improvements in the event of damage or destruction;

(b) a public liability insurance policy covering the Association, its officers, directors and managing agents, having at least a One Million Dollar (\$1,000,000.00) limit per total claims that arise from the same occurrence, including but not limited to liability insurance for the recreational facilities located in the Community, or in an amount not less than the minimum amount required by applicable law, ordinance or regulation;

(c) workers' compensation insurance, if and to the extent required by law; and

(d) fidelity bond or bonds covering all Directors, officers, employees and other persons handling or responsible for the funds of the Association, in such amounts as the Board of Directors deems appropriate.

9.2 PREMIUMS FOR INSURANCE MAINTAINED BY ASSOCIATION. Premiums for all insurance and bonds required to be carried under Section 9.1 hereof or otherwise obtained by the Association on the Common Area shall be an expense of the Association, and shall be included in the Annual Assessments. Premiums on any fidelity bond maintained by a third party manager shall not be an expense of the Association.

9.3 DAMAGE AND DESTRUCTION OF COMMON AREA.

(a) Immediately after any damage or destruction by fire or other casualty to all or any part of the insurable improvements on the Common Area, the Board of Directors, or its agent, shall proceed with the filing and adjustment of all claims arising under the fire and extended coverage insurance maintained by the Association and obtain reliable estimates of the cost of repair or reconstruction of the damaged or destroyed improvements. Repair or reconstruction means repairing or restoring the improvements to substantially the same condition in which they existed prior to the fire or other casualty.

(b) Any damage or destruction to insurable improvements on the Common Area shall be repaired or reconstructed unless at least seventy-five percent (75%) of the members present at a meeting of the membership held within ninety (90) days after the casualty shall decide not to repair or reconstruct.

(c) If, in accordance with subsection (b), the improvements are not to be repaired or reconstructed and no alternative improvements are authorized by the members, then and in that event the damaged Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition. In such event, any excess insurance proceeds shall be paid over to the Association for the benefit of the Property, which proceeds may be used and/or distributed as determined by the Board of Directors, in its discretion, or as otherwise provided in the Articles of Incorporation and/or the Bylaws of the Association.

9.4 REPAIR AND RECONSTRUCTION OF COMMON AREA. If any improvements on the Common Area are damaged or destroyed, and the proceeds of insurance received by the Association are not sufficient to pay in full the cost of the repair and reconstruction of the improvements, the Board of Directors shall, without the necessity of a vote of the members, levy a special assessment against all Record Owners in order to cover the deficiency in the manner provided in Article VIII hereof. If the proceeds of insurance exceed the cost of repair, such excess shall be retained by the Association and used for such purposes as the Board of Directors shall determine.

9.5 HAZARD INSURANCE ON IMPROVED LOTS. Each Record Owner of an improved Lot at all times shall maintain fire and extended coverage insurance or other appropriate damage and physical loss insurance, in an amount equal to not less than one hundred percent (100%) of the current replacement value of the improvements on the Lot.

9.6 OBLIGATION OF LOT OWNER TO REPAIR AND RESTORE.

(a) In the event of any damage or destruction of the improvements on a Lot, the insurance proceeds from any insurance policy on an improved Lot, unless retained by a Mortgagee of a Lot, shall be applied first to the repair, restoration or replacement of the damaged or destroyed improvements. Any such repair, restoration or replacement shall be done in accordance with the plans and specifications for such improvements originally approved by the Declarant or the Architectural Review Committee; unless the Record Owner desires to construct improvements differing from those so approved, in which event the Record Owner shall submit plans and specifications for the improvements to the Architectural Review Committee and obtain its approval prior to commencing the repair, restoration or replacement. If any Mortgagee does not permit insurance proceeds to be used to restore any damaged or destroyed improvements, then the Record Owner of such Lot shall raze the improvements and return the Lot to its natural condition free of all debris.

(b) If any Record Owner of an improved Lot fails to maintain the insurance required by Section 9.5 of this Article, the Association may, but shall not be obligated to, obtain such insurance and pay any premiums required in connection with obtaining such insurance. Such Record Owner shall be personally liable to the Association for any costs incurred by the Association in obtaining such insurance, to the same extent as such Record Owner is liable for assessments levied against its Lot, and, upon the failure of the Record Owner to pay such costs within ten (10) days after such Record Owner's receipt of a written demand therefor from the Association, the Association may establish a lien therefor upon the Record Owner's Lot in accordance with and subject to the provisions of this Declaration applicable to an assessment lien.

ARTICLE X

RIGHTS OF MORTGAGEES

10.1 GENERAL.

(a) Regardless of whether a Mortgagee in possession of a Lot is its Record Owner, (i) such Mortgagee in possession shall have all of the rights under the provisions of this Declaration, the Plat, the Articles of Incorporation, the By-Laws and applicable law, which would otherwise be held by such Record Owner, subject to the operation and effect of anything to the contrary contained in its Mortgage, and (ii) the Association and each other Record Owner or person shall be entitled, in any matter arising under the provisions of this Declaration and involving the exercise of such rights, to deal with such Mortgagee in possession as if it were the Record Owner thereof.

(b) Any Mortgagee in possession of a Lot shall (subject to the operation and effect of the provisions of this Declaration, the

Articles of Incorporation, the By-Laws and applicable law) bear all of the obligations under the provisions thereof which are borne by its Record Owner; provided, that nothing in the foregoing provisions of this Section shall be deemed in any way to relieve any Owner of any such obligation, or of any liability to such Mortgagee on account of any failure by such Record Owner to satisfy any of the same.

10.2 INSPECTION; STATEMENT AND NOTICE. A Mortgagee shall, upon delivery of a written request to the Association, be entitled to

(a) inspect the Association's books and records during normal business hours;

(b) receive an annual financial statement of the Association within ninety (90) days after the end of any fiscal year of the Association;

(c) be given timely written notice of all meetings of the membership, and designate a representative to attend all such meetings;

(d) be given timely written notice of the occurrence of any substantial damage to or destruction of the Common Area, or if the Common Area is made the subject of any condemnation or eminent domain proceeding or the acquisition thereof is otherwise sought by any condemning authority; and

(e) be given timely written notice by the Association of failure to pay assessments by the Record Owner of such Mortgagee's Lot which is not cured within thirty (30) days after such default commences, but the failure to give such notice shall not affect the validity of the lien for any assessments levied pursuant to this Declaration.

10.3 APPROVAL BY FEDERAL HOUSING ADMINISTRATION AND VETERANS ADMINISTRATION. Until the Class B membership terminates pursuant to the provisions of Article IV, Section 4.3, the prior consent or approval of the Federal Housing Administration, the Veterans Administration and/or the Department of Housing and Urban Development (the "Federal Agencies") shall be obtained with respect to any of the following actions taken while a Mortgage is in effect which is insured or guaranteed by such entity:

- (a) mortgaging or dedication of any portion of the Common Area;
- (b) an amendment of this Declaration; and
- (c) annexation of additional properties.

ARTICLE XI

RULES AND REGULATIONS

11.1 BOARD OF DIRECTORS AUTHORIZED TO ADOPT; SCOPE. The Board of Directors shall have the power to adopt and amend rules and regulations ("Rules and Regulations") regarding the use of the Common Area or regarding other matters as to which the Board of Directors is expressly granted such power by this Declaration (including, by way of example, pets), which shall be binding on each Owner, provided such Rules and Regulations are adopted in accordance with the provisions of this Article.

11.2 NOTICE. The Board of Directors shall mail written notice to each of the members of the Association setting forth the proposed Rule or Regulation at least twenty (20) days prior to its adoption. Such notices shall be mailed to the address of each member as shown on the most current membership roster of the Association.

11.3 ADOPTION; REFERENDUM. The adoption or amendment of Rules and Regulations shall require the vote of two-thirds (2/3) of the Directors present. However, members equal to not less than twenty percent (20%) of the total members of the Association may petition a referendum on a Rule or Regulation by filing a written petition with the Board of Directors within twenty (20) days after the mailing of a notice of adoption by the Board. Upon verifying that the requirements of this Section have been met, the Rule or Regulation shall be suspended pending the results of the referendum. The Rule or Regulation shall be submitted to a vote of the members at a meeting called for this purpose within sixty (60) days after the petition has been verified.

ARTICLE XII

MISCELLANEOUS

12.1 TERM. This Declaration shall run with the land and shall be binding for a period of thirty (30) years from the date this Declaration is recorded, after which time this Declaration shall automatically be extended for successive periods of ten (10) years each unless and until an instrument has been recorded, by which this Declaration, in whole or in part, is amended, modified or revoked pursuant to the provisions of Section 12.9.

12.2 ENFORCEMENT.

(a) Enforcement of this Declaration shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain the violation or to recover damages, or both. In acquiring title to any Lot in the Community, the purchaser or purchasers violating or attempting to violate any covenant, agree to reimburse the Association and/or any Record Owners for all costs and expenses for which it or they may incur as a result of the said violation or attempted violation, including but not limited to, court costs and attorneys' fees.

(b) These Covenants shall inure to the benefit of and be

enforceable by the Association or by the Record Owner(s) of any land included in the Community and their respective legal representatives, successors and assigns, and all persons claiming by, through or under them.

(c) Notwithstanding the foregoing, neither the Association nor any person acting or purporting to act on its behalf shall (a) file or otherwise commence, or prosecute, in any jurisdiction whatsoever, any (i) civil, criminal or administrative proceeding in or with any court or administrative body or officer, or (ii) appeal of or objection to any decision or other action made or taken by any court or administrative body or officer, in any judicial or administrative proceeding, or (b) testify or submit evidence (except where required by law, subpoena or formal order of such court, administrative body or officer), or otherwise take a formal position on any issue under consideration, in any such proceeding or appeal, in all cases until such action is approved in writing by, or by the vote of, both (i) members entitled to cast at least 75 percent of the votes held by all Owners other than Class B Members, and (ii) (if such action would be taken during the Development Period), the votes of Class B Owners holding at least 75 percent of the votes held by all Class B Owners. Nothing in this subsection shall apply to a civil or administrative proceeding which the Association commences or prosecutes with a court or administrative body or officer (a) to collect an Assessment, or enforce or foreclose a lien securing an Assessment, (b) otherwise to enforce the Association's rights or another person's obligations under the Declaration, By-Laws or Articles of Incorporation on account of a default or otherwise or (c) any action taken by the Declarant at any time or action undertaken by the Architectural Review Committee during the Development Period.

12.3 NO WAIVER. The failure or forbearance by the Association or Declarant to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

12.4 INCORPORATION BY REFERENCE ON RESALE. In the event any Record Owner sells or otherwise transfers any Lot, any deed purporting to effect such transfer shall be deemed to contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration, whether or not the deed actually so states.

12.5 NOTICES. Any notice required to be sent to any member or Record Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postage paid, to the last known address of the person who appears as member or Record Owner on the records of the Association at the time of such mailing.

12.6 NO DEDICATION TO PUBLIC USE. Nothing herein contained shall be construed as a dedication to public use or as an acceptance for

maintenance of any Common Area by any public or municipal agency, authority or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Area.

12.7 SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

12.8 CAPTIONS AND GENDERS. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male shall include all genders and the singular shall include the plural.

12.9 AMENDMENT.

(a) Subject to the provisions of Section 10.3, for so long as there is a Class B membership of the Association, this Declaration may be amended by an instrument in writing, signed and acknowledged by the Declarant and by the President or Vice-President and Secretary or Assistant Secretary of the Association after approval of the amendment at a meeting of the Association duly called for such purpose. The vote (in person or by proxy) or written consent of (i) at least two-thirds (2/3) of the Class A members of the Association, if any, and (ii) the Declarant shall be required to add to, amend, revise or modify this Declaration. Following the lapse of the Class B membership in the Association, as provided in Article IV hereof, this Declaration may be amended by an instrument in writing, signed and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Association with the approval, in the manner set forth above, of at least two-thirds (2/3) of the Class A members of the Association at a meeting of the Association duly called for such purpose.

(b) An amendment or modification shall be effective when executed by the President or Vice-President and Secretary or Assistant Secretary of the Association who shall certify that the amendment or modification has been approved as herein above provided. The amendment shall be recorded in the Land Records of the County. Unless a later date is specified in any such instrument, any amendment to this Declaration shall become effective on the date of recording. For the purpose of recording such instrument, each Record Owner, other than the Declarant, hereby grants to the President or Vice-President and Secretary or Assistant Secretary of the Association an irrevocable power of attorney to act for and on behalf of each and every Record Owner in certifying, executing and recording said instrument. Notwithstanding anything to the contrary contained herein, in no event may any of Declarant's rights or privileges under the Articles of Incorporation or

By-Laws of the Association or this Declaration be terminated, altered or amended without Declarant's prior written consent.

(c) Anything set forth above to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power and authority to amend, modify, revise or change any of the terms or provisions of this Declaration, all as from time to time amended or supplemented if one of the Federal Agencies or any successor agencies thereto shall require such action as a condition precedent to the approval by such agency of the Property or any part thereof or any Lot thereof, for federally approved mortgage financing proposed under applicable Federal Agency programs.

12.10 MODIFICATIONS OF PLAT. The Declarant, for itself, its successors and assigns reserves the right prior to transfer of any Lot, pursuant to a recorded plat, to alter, amend and change any Lot lines as set forth on the Plat.

12.11 SCRIVENER'S ERROR. Anything contained in the provisions of the Declaration to the contrary notwithstanding, the Declarant may, without obtaining the consent of any Owner, Mortgagee or other person, amend this Declaration or the Plat if such amendment is (in the Declarant's reasonable opinion) necessary to correct obvious typographical, mathematical, minor or similar errors therein.

12.12 CONDITIONAL APPROVAL. In granting any permit, authorization or approval, as herein provided, Declarant may impose any conditions or limitations thereon as it shall deem advisable under the circumstances of each case.

WITNESS the hand and seal of the Declarant hereto on the day herein above first written.

WITNESS/ATTEST:

Catherine J. Keely

DECLARANT:

NEW HAVEN, INC.

By: Michael J. Keelty,
Executive Vice President

(SEAL)

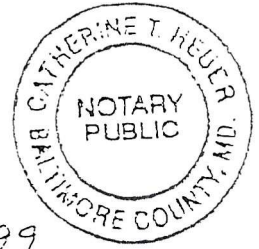
STATE OF MARYLAND, ~~CITY~~/COUNTY OF BALTIMORE, TO WIT:

I HEREBY CERTIFY that on this 1st day of June, 1999 before, me, the subscriber, a Notary Public of the State of Maryland, personally appeared, Michael J. Keelty, known to me or suitably proven, who acknowledged himself to be the Executive Vice President of NEW HAVEN, INC., a Maryland corporation, the Declarant named in the foregoing Declaration of Covenants, Conditions and Restrictions, and who, being authorized to do so, in my presence, signed and sealed the same and acknowledged the same to be the act and deed of the Declarant.

REVIEWED FOR BALTIMORE COUNTY
REQUIREMENTS
Beth Rootland-Haym
COUNTY SOLICITOR

AS WITNESS my hand and seal.

Catherine T. Heuer
Notary Public



My Commission Expires: 11-1-99

The undersigned hereby certifies that the above instrument has been prepared by or under the supervision of an attorney admitted to practice before the Court of Appeals of Maryland or by or on behalf of one of the parties named in the above instrument.

Rachel M. Hess, Esq.
Rachel M. Hess, Esq.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONSEXHIBIT ADescription of the Property

BEING all those Lots shown and designated as Lot Nos. 34 through and including 95 and the area designated as, "H.O.A. OPEN SPACE", all shown on the Plat entitled, "1ST AMENDMENT TO PLAT 3, NEW HAVEN WOODS, SECTION II" recorded among the Land Records of Baltimore County in Plat Book S.M. No. 66, folio 125 on June 17, 1994 and that area of land comprised of 2.926 acres, more or less, and depicted as "PARCEL 'A' AREA = 2.926 AC.+/-" on that certain plat entitled, "PLAT 1, NEW HAVEN WOODS, SECTION II" recorded among the Land Records of the County in Plat Book S.M. 64, folio 116.

JOINDER AND CONSENT OF OWNER

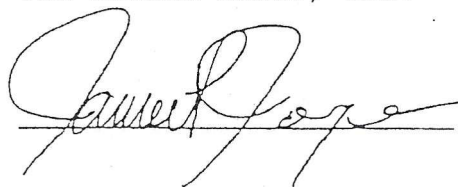
THE RYLAND GROUP, INC., a Maryland corporation (hereinafter referred to as "Owner"), hereby consents to all of the terms and provisions contained in the foregoing Declaration of Covenants, Conditions and Restrictions for New Haven Woods Section Two Homeowners Association, Inc. referred to therein (the "Declaration"), and agrees that the terms, provisions, covenants, conditions and restrictions contained in the Declaration shall run with and bind the title to Lot Nos. 34 through and including 40, all of which said Lots are shown on the Plat entitled, "'1ST AMENDMENT TO PLAT 3, NEW HAVEN WOODS, SECTION II", recorded among the Land Records of the County (the "Land Records"), in Plat Book S.M. No. 66, folio 125.

The Owner agrees to execute any further assurances of the foregoing as may be requested by the parties to the Declaration.

ATTEST:

OWNER:

THE RYLAND GROUP, INC.


 (SEAL)

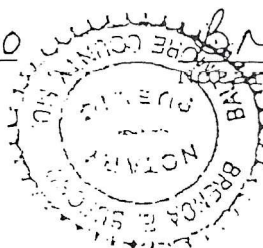
STATE OF MARYLAND
COUNTY OF BALTIMORE

I HEREBY CERTIFY, that on this 14TH day of JUNE, 1999, before me, the subscriber, a Notary Public in and for the State of Maryland and County aforesaid, personally appeared JAMES P. JOYCE, who acknowledged himself to be the VICE PRESIDENT, of The Ryland Group, Inc., a Maryland corporation, and that he, as such VICE PRESIDENT, being authorized to do so, acknowledged the foregoing Joinder to be the act of said body corporate, and that he executed the foregoing for the purposes therein contained, by signing the name of the Corporation by himself as VICE PRESIDENT, and that the said Joinder was executed and is to be recorded solely for the purposes as therein provided.

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

My Commission Expires:

5/1/2000

 Brenda E. Buford
Notary Public

BY-LAWS

NEW HAVEN WOODS SECTION TWO HOMEOWNERS ASSOCIATION, INC.

ARTICLE I NAME AND LOCATION

The name of the Corporation is NEW HAVEN WOODS SECTION TWO HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Association shall be located at 61 E. Padonia Road, Timonium, Maryland 21093, but meetings of members and Directors may be held at such places within the State of Maryland as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

Section 1. "Association" shall mean and refer to New Haven Woods Section Two Homeowners Association, Inc., its successors and assigns.

Section 2. "Common Areas" shall mean all real property owned, leased or licensed by the Association for the common use, benefit and enjoyment of the Owners.

Section 3. "Declarant" shall mean and refer to New Haven, Inc. and any successors or assigns thereof to whom it shall expressly (i) convey or otherwise transfer all of its right, title and interest in the Properties (as such term is hereinafter defined), or the last thereof, as an entirety, without reservation of any kind; or (ii) transfer, set over or assign all its right, title and interest under the Declaration, or any amendment or modification thereof.

Section 4. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions dated JUNE 14, 1999, applicable to the Properties and heretofore recorded among the Land Records of Baltimore County, Maryland, in Liber 13958, folio 565, et seq. and any additions, amendments or modifications thereto.

Section 5. "Lot" shall mean and refer to any plot of land subject to assessment by the Association, and shown upon any recorded subdivision map or plat of the Properties, with the exception of the Common Area.

Section 6. "Member" or "Members" shall mean and refer to those persons entitled to membership in the Association, as provided in the Declaration.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple or leasehold title to any Lot which is a part of the Properties, including contract sellers, but excluding ground rent owners and those having such interest merely as security for the performance of an obligation or payment of a debt.

Section 8. "Properties" shall mean and refer to that certain real property in Baltimore County (the "County") described in the Declaration of Covenants, Conditions and Restrictions referred to in Article II, Section 4 hereof, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 9. Any other terms used herein shall have the meanings given to them in the Declaration.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at a time and place within the State of Maryland selected by the Board of Directors of the Association. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section 2. 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 the Members who are (i) entitled to vote one-fourth (1/4) of all of the votes of the Class A membership, or (ii) entitled to vote one-fourth (1/4) of all of the votes of the Class B membership.

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Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days but not more than sixty (60) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last 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 4. Quorum. The presence at the meeting of Members or of proxies entitled to cast one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, these By-

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Laws or applicable law. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at the meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed initially by a Board of three (3) Directors, who need not be members of the Association. A majority of the entire Board of Directors is authorized to increase the number of Directors to a maximum of five (5).

Section 2. Term of Office. From and after the first annual meeting of the Members, the term of office of the Directors shall be staggered. At the first annual meeting the Members shall elect one-third (1/3) of the Directors for a term of one (1) year, one-third (1/3) of the Directors for a term of two (2) years, and one-third (1/3) of the Directors for a term of three (3) years; and at each annual meeting thereafter the Members shall elect one-third (1/3) of the total number of Directors for a term of three (3) years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his or her successors shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his or her predecessor. (33)

Section 4. Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her 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 under Maryland law at a closed meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a closed meeting of the Directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of

thereof or to bring an action at law against the Owner personally obligated to pay the same;

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

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

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

(g) cause to be maintained the Common Area and any other areas shown on the Plat that may be owned by governmental entities who are not maintaining such areas.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board 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, and thereafter at the meeting of the Board of Directors following each annual meeting of the Members.

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

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, 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, 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. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaced.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of offices created pursuant to Section 4 of this Article.

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

(a) President. The President shall preside at all meetings of the Members and of the Board of Directors and shall see that orders and resolutions of the Board are carried out. The President shall have the authority to sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board. The Vice-President shall likewise have the authority to sign all leases, mortgages, deeds and other written instruments and co-sign all checks and promissory notes.

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

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all books of account; cause an annual report of the Association's books to be made by a public accountant at the completion of each fiscal year; 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.

ARTICLE IX

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each officer and Director of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a Director or officer of the

Association. The foregoing right to indemnification shall be exclusive of any other rights to which the Director or officer or person may be entitled by law or agreement or vote of the Members or otherwise.

ARTICLE X COMMITTEES

The Association shall appoint an Architectural Review Committee, as provided 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 BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. 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.

ARTICLE XII ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the lot against which the assessment is made. Any assessments or portions thereof which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and shall be subject to a late charge of Ten Dollars (\$10.00) per month until paid or ten percent (10%) of the Assessment, whichever is greater, and the Association may declare the entire balance of the assessment immediately due and payable. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of the Owner's Lot.

ARTICLE XIII AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration or the Department of Housing and Urban Development, or any successor agencies thereto, shall

have the right to veto amendments while there is a Class B membership if any such agency or any successor agencies thereto have approved the Properties, any part thereof, or any Lot, for federal mortgage financing.

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
MISCELLANEOUS

The fiscal year of the Association shall be determined by the Board in its discretion.

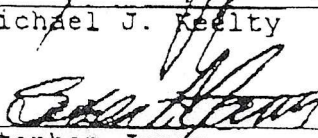
IN WITNESS WHEREOF, we, being all of the Directors of New Haven Woods Section Two Homeowners Association, Inc., have hereunto set our hands this 14 day of JUNE, 1999.



Mark Buda



Michael J. Keelty



Stephen James

CERTIFICATION

I, THE UNDERSIGNED, do hereby certify that I am the duly elected and acting secretary of New Haven Woods Section Two 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 thereof on this 14 day of JUNE, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Corporation this 14 day of JUNE, 1999.



Stephen James, Secretary (SEAL)

~~ARTICLES~~ ARTICLES OF INCORPORATION

NEW HAVEN WOODS SECTION TWO HOMEOWNERS ASSOCIATION, INC.

THIS IS TO CERTIFY:

FIRST: The undersigned, Rachel M. Hess, whose post office address is 20 Crossroads Drive, Suite 215, Owings Mills, MD 21117, being at least eighteen years of age, is hereby forming a non-stock not-for-profit corporation under and by virtue of the general laws of the State of Maryland.

SECOND: The name of the corporation (which is hereinafter called the "Corporation") is

NEW HAVEN WOODS SECTION TWO HOMEOWNERS ASSOCIATION, INC.

THIRD: The purposes for which the Corporation are formed are as follows:

To organize and operate a real estate management association exclusively to provide for the acquisition, construction, management, maintenance, care and preservation of the open spaces, common area and facilities within those certain tracts of property described in paragraph (a) of this Article Third, and to promote the recreation, health, safety and welfare of the residents within the said described property, and any addition thereto as may hereafter be brought within the jurisdiction of this Corporation, no part of the net earnings of which is to inure to the benefit of, or be distributable to, any director, officer, or member of the Corporation, or any other individual, so that no pecuniary gain or profit to the members thereof is contemplated, and for such general purposes, and limited to those purposes, the Corporation shall have the following powers:

(a) To acquire, own, hold, preserve, develop, improve, build upon, manage, operate and maintain open space tracts or areas and common or recreational areas, property, facilities and real estate, whether fee simple or leasehold, and whether improved or unimproved, all designed for the common use, benefit, enjoyment, recreation, health, safety and welfare of the record owner or owners of each lot now or hereafter laid out or established within that parcel of land located in the Fifteenth Election District of Baltimore County, Maryland, shown on the plat entitled, "1ST AMENDMENT TO PLAT 3, NEW HAVEN WOODS, SECTION II", recorded among the Land Records of Baltimore County (the "County"), Maryland, in Liber S.M. 66, folio 125.

As of the date hereof, the aforesaid parcel includes those residential lots, open spaces and common areas as is more particularly described in Exhibit A to the Declaration of Covenants, Conditions, and Restrictions, hereinafter called the "Declaration," made by New Haven, Inc., and recorded or intended to be recorded among the Land Records of the County, as the same may hereafter from time to time be amended, or extended to any additional properties, said Declaration, made a part hereof, by reference thereto, as fully, and to the same extent as though incorporated herein, being applicable to the Community (as hereinafter defined) and such additions thereto as may hereafter be brought within the jurisdiction of the Corporation. The aforesaid lots, open spaces and common areas are hereinabove and hereinafter referred to as the "Community."

(b) To exercise all the powers, rights and privileges and to perform all the duties and obligations of the Corporation, as the same are set forth in the Declaration.

(c) To establish, fix, make, impose, levy, collect and enforce payment of, by any lawful means all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the Corporation.

(d) To purchase, lease, option, or otherwise acquire, own, hold, preserve, develop, improve, build upon, manage, operate, maintain, convey, sell, exchange, rent, lease, dedicate for public use, or in any manner transfer or dispose of any real or personal property in connection with the affairs of the Corporation.

(e) To borrow or to raise money for any of the purposes of the Corporation, and to issue bonds, debentures, notes, or other obligations of any nature, and in any manner permitted by law, for money so borrowed or in payment for property purchased, or for any other lawful consideration, and, upon authorization of two-thirds (2/3) of the Class A members in the Corporation (except the Declarant if the Declarant is a Class A member) to secure the payment of the money borrowed and of the interest thereon, by mortgage upon, or pledge or conveyance or assignment in trust of, the whole or any part of the property of the Corporation.

(f) To dedicate, sell or otherwise transfer all or any part of the common areas, property and facilities of the Corporation to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed upon by the members, provided, however, that no such dedication, sale or transfer shall be effective unless approved in writing by two-thirds (2/3) of the Class A members in the Corporation (except the Declarant if the Declarant is a Class A member) agreeing to such dedication, sale or transfer.

(g) To participate in mergers and consolidations with other nonprofit organizations, organized for the same purpose, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the members of each class of the Membership in the Corporation, voting separately thereon.

(h) To annex to the Community, at any time, and from time to time, other and additional residential property, open space and common area, provided that any annexation of such other additional residential property, open space and common area shall have the assent of two-thirds (2/3) of each Class of members of the Corporation, voting separately thereon.

(i) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Maryland by law may now or hereafter have or exercise.

The Corporation is formed under the articles, conditions and provisions expressed herein and in the general laws of this State. In no event, however, shall the Corporation: (i) carry on any propaganda or otherwise attempt to influence any legislation or any public administrative action; (ii) participate or intervene in any political campaign on behalf of any candidate for public office, by any means, including the publication

or distribution of any statement for or against any candidate; (iii) carry on any activity not permitted to be carried on by a corporation exempt from Federal Income Tax under Section 501(c) or 528 of the Internal Revenue Code of 1986, as amended to date, or corresponding provision of any future United States Internal Revenue law; or (iv) invest in or use any property in such a manner as to jeopardize the exemption of the Corporation from taxation under the aforesaid Section 501(c) or 528 of the Internal Revenue Code of 1986, as now in force or hereafter amended.

FOURTH: The post office address of the principal office of the Corporation in this State is 61 East Padonia Road, Timonium, Maryland 21093. The name and post office address of the Resident Agent of the Corporation in this State is Rachel M. Hess, Esq., 20 Crossroads Drive, Suite 215, Owings Mills, MD 21117. Said resident agent is a citizen of the State of Maryland and actually resides therein.

FIFTH: The Corporation is not authorized to issue any capital stock. Each record owner, as hereinafter defined, of a lot now or hereafter laid out or established in the Community, or in any part of such additional property that may be brought within the jurisdiction of the Corporation shall be a member of the Corporation. Each member shall be designated either a Class A member or a Class B member. A description of each class of Membership, with the voting rights and powers of each class, is as follows:

(a) Class A member: Except for the Declarant, who shall be the Class B member, the Class A member shall be each record owner holding title to one or more lots laid out in the Community, or in any part of such additional property that may be brought within the jurisdiction of the Corporation. Each Class A member shall be entitled to one (1) vote per lot, for each such lot owned by such member, in all proceedings in which action shall be taken by members of the Corporation.

(b) Class B member: The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes per lot, for each such lot owned by such member, in all proceedings in which the action shall be taken by members of the Corporation.

(c) Conversion: The Class B Membership shall be converted to a Class A Membership upon the earlier to occur of (i) December 31, 2005; or (ii) at such time as the total number of votes entitled to be cast by Class A members of the Corporation equals or exceeds the total number of votes entitled to be cast by the Class B member of the Corporation. After such conversion, if additional property is made subject to the Declaration then the Class B Membership of the Class B member shall be reinstated until December 31, 2009, or such earlier time as the total number of votes entitled to be cast by Class A members again equals or exceeds the total number of votes entitled to be cast by the Class B member.

The term "record owner," as used in these Articles, means and includes the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding the record title to a lot in the Community or located on any part of such additional property that may be brought within the jurisdiction of the Corporation and subjected by covenants of record to a lien for charges and assessments levied by the Corporation, as said lot is now or may from time to time hereafter be created or established, either in his, her, or its own name, or as joint tenants, tenants in common, tenants by the entireties, or

tenancy in co-partnership, if the lot is held in such real property tenancy or partnership relationship.

If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, hold the record title to any one lot, whether in a real property tenancy, partnership relationship, or otherwise, all of same, as a unit, and not otherwise, shall be deemed a single record owner and shall be or become a single member of the Corporation by virtue of ownership of such lot. The term "record owner," however, shall not include any contract purchaser, nor the owner of any redeemable ground rent issuing out of any lot, nor shall it include any mortgagee, trustee or other grantee named in any mortgage, deed of trust or other security instrument covering any lot, designed solely for the purpose of securing performance of an obligation or payment of a debt. Membership in the Corporation shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Corporation. Conversely, every owner of a lot which is subject to assessment by the Corporation shall become and be a member of the Corporation.

If any single Membership in the Corporation is comprised of two (2) or more persons, firms, corporations, trustees or other legal entities, or any combination thereof, then each constituent may cast such portion of the vote of the member as shall equal his, her or its proportionate interest in the lot or lots held by said member, provided, however, that if only one (1) votes, he, she or it may cast the entire vote of the member and such act shall bind all.

SIXTH: The affairs of the Association shall be managed initially by a Board of three (3) directors, which number may be increased or decreased pursuant to the By-Laws of the Corporation, but shall never be less than three (3) nor more than five (5); and the names of the directors who shall act until the first annual meeting or until their successors are duly chosen and qualified are Mark Buda, Stephen James and Catherine Heuer. No Director need be a member of the Corporation.

From and after the first annual meeting of members, the term of office of the Directors shall be staggered. At the first annual meeting, the members shall elect one-third (1/3) of the directors for a term of one (1) year, one-third (1/3) of the directors for a term of two (2) years and one-third of the directors for a term of (3) three years; and at each annual meeting thereafter the members shall elect one-third of the total number of directors for a term of three (3) years.

SEVENTH: The duration of the Corporation shall be perpetual. The Corporation, however, may be dissolved under and in accordance with the laws of the State of Maryland, provided such dissolution first be authorized, in writing, signed by not less than two-thirds (2/3) of the members of the Corporation, or, if there be more than one class of members, then by not less than two thirds (2/3) of each class of members of the Corporation, computed separately. Upon any dissolution of the Corporation, after discharge of all corporate liabilities, the Board of Directors shall dispose of all assets of the Corporation, by dedication thereof to any appropriate public agency to be used for purposes similar to those for which the Corporation was formed. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned, if practicable, to any nonprofit corporation, association, trust or other organization as shall at the time qualify as an organization or

organizations exempt from taxation under Sections 501(c) or 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue law, as the Board of Directors may determine, preferably to a semi-public agency, to be used in furthering, facilitating or effectuating purposes similar to those for which the Corporation was formed.

EIGHTH: Amendment of these Articles shall require the assent of two-thirds (2/3) of the entire Membership, provided, however, that the Federal Housing Administration, the Veterans Administration or the Department of Housing and Urban Development (collectively the "Federal Agencies"), or any successor agencies thereto, shall have the right to veto amendments while there is a Class B Membership if any such agency or any successor agencies thereto have approved the Community, or any part thereof, or any Lot, for federal financing by one of the Federal Agencies.

NINTH: As long as there is a Class B member, if any of the Federal Agencies or any successor agencies thereto, whether public or private, approve the Community or any part thereof or any lot therein for federally approved mortgage financing, the following actions will require the prior approval of the Federal Agencies: annexation of additional properties; mergers and consolidations; mortgaging of or dedication of any of the Common Area; dissolution; and amendment of these Articles.

TENTH: No director or officer of the Corporation shall be liable to the Corporation or to its members for money damages except (a) to the extent that it is proved that such director or officer actually received an improper benefit or profit in money, property or services, for the amount of the benefit or profit in money, property or services actually received, or (b) to the extent that a judgment or other final adjudication adverse to such director or officer is entered in a proceeding based on a finding in the proceeding that such director's or officer's action, or failure to act, was (i) the result of active and deliberate dishonesty or (ii) intentionally wrongful, willful or malicious and, in each such case, was material to the cause of action adjudicated in the proceeding.

ELEVENTH: Each officer and director of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a director or officer of the Association. The foregoing right to indemnification shall be exclusive of any other rights to which the director or officer or person may be entitled by law or agreement or vote of the members or otherwise.

IN WITNESS WHEREOF, I have signed these Amended Articles of Incorporation and acknowledged the same to be my act on this 9th day of June, 1999 and consent to act as Resident Agent.

WITNESS:

Rebecca D. Rose

Rachel M. Hess
Rachel M. Hess

DOCUMENT CODE 02

BUSINESS CODE 04

P.A. _____ Religious _____ Close _____ Stock ☒ Nonstock

Merging
Transferor) _____

Surviving
(Transferee) _____

FEES REMITTED

Base Fee: 20
Org. & Cap. Fee: 20

Expedite Fee: _____

Penalty: _____

State Recordation Tax: _____

State Transfer Tax: _____

Certified Copies: _____

Copy Fee: _____

Certificates: _____

Certificate Fee: _____

Other: _____

TOTAL FEES: 40

Credit Card

Check

Cash

(New Name) _____

Change of Name

Change of Principal Office

Change of Resident Agent

Change of Resident Agent Address

Resignation of Resident Agent

Designation of Resident Agent

and Resident Agent's Address

Change of Business Code

ID # 005372289 ACK # 1000035531000000

LIBER: 800046 FOLIO: 0324 PAGES: 0006

NEW HAVEN WOODS SECTION TWO HOMEOWNERS
ASSOCIATION, INC.

06.14.1999 AT 10:40 A WO # 0000182639

Documents on _____ Checks

APPROVED BY: A

CODE 442

NOTE:

ATTENTION: _____

Rachel M. Hess

COMMENT:

MAIL TO ADDRESS: _____

20 Crossroads Drive, Ste 215
Owings Mills, Maryland 21117

40.00
1999-06-22 08:50 AM
0000159866
CUSTOMER ID
WORK ORDER 0000182639
DIAF 1MW

NEW HAVEN WOODS SECTION TWO
HOMEOWNERS ASSOCIATION BUDGET
PROPOSED

*Sample
ONLY*

<u>INCOME</u>	<u>PER UNIT</u>	<u>TOTAL</u>
Annual Assessment	\$240.00	\$14,880
Interest Income	\$1.61	\$100
Working Capital (At \$100 per unit)	<u>\$100.00</u>	<u>\$6,200</u>
 TOTAL ANNUAL INCOME	 \$341.61	 \$21,180
 <u>EXPENSE</u>		
Administrative:		
Office Expense	\$2.42	\$150
Insurance Expense	\$16.13	\$1,000
Legal Fees	\$4.03	\$250
Accounting	\$9.68	\$600
Miscellaneous	\$16.13	\$1,000
Maintenance:		
Lawn Maintenance	\$96.77	\$6,000
Snow Removal	\$32.26	\$2,000
Utilities:		
Street Lights	\$8.06	\$500
Reserves:		
General Reserve	\$56.13	\$3,480
Capital Items:		
Start-up Costs	<u>\$100.00</u>	<u>\$6,200</u>
 TOTAL ANNUAL EXPENSES	 \$341.61	 \$21,180

NOTE: This Budget is Comprised of Estimated Expenses and May be Modified As Actual Costs Are Ascertained.

DATE: 2/18/99

MARYLAND HOMEOWNERS ACT DISCLOSURE STATEMENT FOR
NEW HAVEN WOODS SECTION TWO HOMEOWNERS ASSOCIATION, INC.

This Disclosure Statement ("Disclosure") is delivered to you by NVR Homes, Inc., t/a Ryland Homes ("Vendor"), as a purchaser of a lot in the subdivision known as New Haven Woods Section Two (the "Development"), pursuant to Section 11B-105 of the Maryland Homeowners Association Act (the "Act"). In addition to the Disclosure, you are receiving copies of the documents referred to on the last page of the Disclosure.

Words used in this Disclosure with a first capital letter are defined to mean the same as the Declaration of Covenants, Conditions and Restrictions dated _____, 1999 and recorded among the Land Records of Baltimore County, Maryland, in Liber _____ at folios _____ et seq. (hereinafter referred to as the "Declaration").

The "Plat" as used herein means and refers to all plats recorded or intended to be recorded among the Land Records of Baltimore County for the Development and as defined in the Declaration.

1. The name, principal address and telephone number of the Vendor are:

The Ryland Group, Inc.
t/a Ryland Homes
7250 Parkway Drive, Suite #520
Hanover, Maryland 21076
(410) 712-7012

The names and addresses for the Vendor are:

R. Chad Dreier	Chairman, President and Chief Executive Officer
Timothy J. Geckle	Senior Vice President, General Counsel and Secretary
Bruce N. Haase	Vice President, Treasurer

2. The name, principal address and telephone number of the Declarant are:

New Haven, Inc.
61 E. Padonia Road
Timonium, Maryland 21093
(410) 252-8600

3. The name of the Homeowners Association is: New Haven Woods Section Two Homeowners Association, Incorporated, a Maryland corporation. The name of the Maryland resident agent for the Homeowners Association is: Rachel M. Hess, 20 Crossroads Drive,

Suite 215, Owings Mills, Maryland 21117.

4. Initially, the real property comprising the Development consists of all the property described on Exhibit "A" attached to Declaration containing 62 Lots as well as Common Area (as such term is defined in the Declaration).

5. The Declarant owns the following property, contiguous to the Development, which is to be dedicated to public use in accordance with applicable law: The public roads shown on the Plat shown as "Paperbark Road", "Whorl Court" and "Hackberry Road", as well as the areas depicted as "Local Open Space" on the Plat the storm water management area.

6. The Development will not be a part of another development.

7. The Declarant has reserved the right to annex additional property to the Development in accordance with the provisions of Section 3.2 of the Declaration.

8. Attached hereto are copies of (a) the Association's Amended Articles of Incorporation dated June 9, 1999, and filed with the State Department of Assessments and Taxation of Maryland on June 14, 1999 (the "Articles of Incorporation"), and (b) the Association's By-Laws, as adopted by its Board of Directors (the "By-Laws"), each as amended through the date hereof. The obligations set forth in the Declaration, Articles of Incorporation and the By-Laws are enforceable against the Owners and their respective tenants.

9. The Association will own and maintain all real property from time to time constituting the Common Area for purposes of the Declaration. Specifically, Section 6.4 addresses the Association's responsibilities for maintenance of the Common Area and other portions of the Community. The Association does not presently intend to lease any real property.

10. A copy of the estimated proposed annual budget for the Association is attached hereto.

11. Article VIII of the Declaration provides, generally, for Assessments to be levied against the Owners and their Lots and, *inter alia*, sets forth the following information: (a) when assessments will be levied against the Owners or their Lots; (b) the procedure for increasing or decreasing Assessments; (c) how Assessments and delinquent charges will be collected; (d) whether unpaid Assessments are a personal obligation of the Owners; (e) whether, and if so at what rate, unpaid Assessments bear interest; (f) whether an unpaid Assessment may be enforced by imposing a lien on a Lot pursuant to the Maryland Contract Lien Act; and (g) whether Owners will be assessed late charges or attorneys' fees for

collecting unpaid Assessments, and any other consequences of the nonpayment of Assessments. In general, Section 8.1 requires Annual Assessments to be levied annually against all Lots, and allows them to be paid in monthly or other installments if the Board of Directors so determines; provided, however, that the Declarant has no obligation to pay any assessment of any kind for Lots which it owns as a Class B member other than the deficit described in Section 8.3 (d) of the Declaration, and further, provided that the Builder pays no assessment of any type until the earlier to occur of one (1) year from the date on which the Builder takes title to the Lot or at the time the Builder transfers title to a Class A member. In addition to the foregoing, at settlement for each Lot, an amount equal to One Hundred Dollars (\$100.00) must be paid from each prospective member of the Association (other than Declarant or a Builder). Initially assessments will be collected semi-annually at the rate of One Hundred Twenty Dollars (\$120.00) every six (6) months.

12. The zoning and other land use requirements affecting the Development can be found on the Plats, Baltimore County Code and other applicable law. Information regarding the zoning and other land use requirements affecting the Development is available at Baltimore County Permits and Development Management, County Office Building, Room 111, 111 W. Chesapeake Avenue, Towson, Maryland 21204; (410) 887-3391.

13. The following is a description of special rights or exemptions reserved by, or for, the Declarant and/or Vendor, including: (a) the right to conduct construction activities within the Development, (b) the right to pay a reduced Homeowners Association fee or assessment, (c) exemptions from use restrictions, and (d) architectural control provisions contained in the Declaration or provisions by which the Declarant intends to maintain control over the Homeowners Association:

(i) Declarant is provided a weighted vote of three (3) votes per Lot until the earlier to occur of December 31, 2005 or at such time as the total number of votes entitled to be cast by Class A members of the Association equals or exceeds the total number of votes entitled to be cast by the Class B member of the Association.

(ii) Article V of the Declaration provides, generally, for the ownership and other rights in and to the Common Area to and for the benefit of the Declarant.

(iii) Declarant and Vendor pay no or reduced assessments, as described above.

(iv) Declarant and Vendor are exempt from some or all of the provisions of the Declaration pertaining to architectural review and certain use restrictions (see Section 5.1 of the

Declaration).

14. Attachments:

- (a) Declaration of Covenants, Conditions and Restrictions;
- (b) By-Laws;
- (c) Articles of Incorporation; and
- (d) Proposed Annual Operating Budget for 62 homes.

The Buyer acknowledges receipt of a copy of the Articles of Incorporation, By-Laws, Declaration, Budget and all other disclosures required by the Act relating to the Lot and the Association, to which he or she will become obligated upon becoming an Owner of the Lot.

Date

Buyer

Date

Buyer

recreational facilities located on any Common Area of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations or any provisions of the Declaration;

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

(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; and

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

Section 2. Specific Right of Inspection of The Board of Directors

Every Director of the Association will have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The foregoing right of inspection includes a right to make extracts and copies of documents.

Section 3. 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 corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such a statement is requested in writing by one-fourth (1/4) of the Class A Members or of the Class B Members who are entitled to vote;

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

(c) as more fully provided in the Declaration, to:

(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;

(3) foreclose the lien against any Lots for which assessments are not paid within thirty (30) days after the due date

thereof or to bring an action at law against the Owner personally obligated to pay the same;

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

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

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

(g) cause to be maintained the Common Area and any other areas shown on the Plat that may be owned by governmental entities who are not maintaining such areas.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board 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, and thereafter at the meeting of the Board of Directors following each annual meeting of the Members.

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

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, 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, 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. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaced.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of offices created pursuant to Section 4 of this Article.

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

(a) President. The President shall preside at all meetings of the Members and of the Board of Directors and shall see that orders and resolutions of the Board are carried out. The President shall have the authority to sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board. The Vice-President shall likewise have the authority to sign all leases, mortgages, deeds and other written instruments and co-sign all checks and promissory notes.

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

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all books of account; cause an annual report of the Association's books to be made by a public accountant at the completion of each fiscal year; 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.

ARTICLE IX

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each officer and Director of the Association, in consideration of his or her services, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he or she may be a party by reason of being or having been a Director or officer of the

Association. The foregoing right to indemnification shall be exclusive of any other rights to which the Director or officer or person may be entitled by law or agreement or vote of the Members or otherwise.

ARTICLE X
COMMITTEES

The Association shall appoint an Architectural Review Committee, as provided 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
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. 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.

ARTICLE XII
ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the lot against which the assessment is made. Any assessments or portions thereof which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and shall be subject to a late charge of Ten Dollars (\$10.00) per month until paid or ten percent (10%) of the Assessment, whichever is greater, and the Association may declare the entire balance of the assessment immediately due and payable. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of the Owner's Lot.

ARTICLE XIII
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration or the Department of Housing and Urban Development, or any successor agencies thereto, shall

have the right to veto amendments while there is a Class B membership if any such agency or any successor agencies thereto have approved the Properties, any part thereof, or any Lot, for federal mortgage financing.

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.

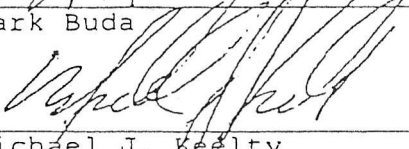
ARTICLE XIV
MISCELLANEOUS

The fiscal year of the Association shall be determined by the Board in its discretion.

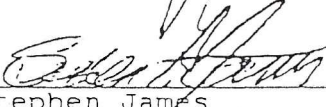
IN WITNESS WHEREOF, we, being all of the Directors of New Haven Woods Section Two Homeowners Association, Inc., have hereunto set our hands this 14 day of JUNE, 1999.



Mark Buda



Michael J. Keelty

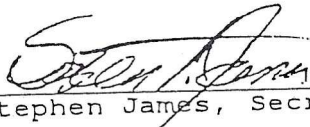


Stephen James

CERTIFICATION

I, THE UNDERSIGNED, do hereby certify that I am the duly elected and acting secretary of New Haven Woods Section Two 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 thereof on this 14 day of JUNE, 1999.

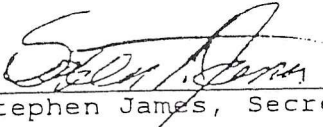
IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Corporation this 14 day of JUNE, 1999.

 (SEAL)
Stephen James, Secretary

CERTIFICATION

I, THE UNDERSIGNED, do hereby certify that I am the duly elected and acting secretary of New Haven Woods Section Two 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 thereof on this 14 day of JUNE, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Corporation this 14 day of JUNE, 1999.

 (SEAL)
Stephen James, Secretary