



**MARYLAND HOMEOWNERS ASSOCIATION ACT**  
**DISCLOSURES TO BUYER AND TRANSMITTAL OF DOCUMENTS**

For resale of a lot within a development of ANY size  
OR for the initial sale of a lot within a development containing 12 or fewer lots  
to a person who intends to occupy or rent the lot for residential purposes.

ADDENDUM NUMBER \_\_\_\_\_ DATED 08/29/2017 TO CONTRACT OF SALE  
BUYER(S): Deepak Maharjan and Amita Prajapati  
SELLER(S): Andrew Kane & Melissa Kane  
PROPERTY: 33 Methwold Ct., Owings Mills, MD 21117

The following disclosures are provided by the Vendor ("Seller") to the Buyer who intends to occupy or rent the lot for residential purposes pursuant to 11B-106 of the Maryland Homeowners Association act ("the Act"):

(1). The lot which is the subject of the contract of sale is located within the development known as  
The Villages of Lyonsfield Run

(2). (i). The current monthly fees or assessments imposed by the homeowners association upon the lot are  
\$ \$62.50 per month.

(ii). The total amount of fees, assessments, and other charges imposed by the homeowners association upon the lot during the prior fiscal year of the homeowners association was:  
\$ 750.00

(iii). The fees, assessments, or other charges imposed by the homeowners association against the lot are ☐ or are not ☒ (Seller to initial applicable provision) delinquent. If any of the foregoing are delinquent, Seller to explain, giving amounts and dates of delinquency:

NONE

(3). Seller to initial (i) or (ii) and complete as appropriate:



(i). The name, address, and telephone number of the management agent of the homeowners association, or other officer or agent authorized by the homeowners association to provide to members of the public, information regarding the homeowners association and the development is:

Name: ALL ATTACHED

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_



(ii). No agent or officer is presently so authorized by the homeowners association.

(4). Seller to initial (i) or (ii) and complete as appropriate:



(i). Seller has actual knowledge of: (Seller to initial all which apply)

☒ A. The existence of any unsatisfied judgments or pending lawsuits against the homeowners association: if (A) is initialed, explain: \_\_\_\_\_



☐ B. Any pending claims, covenant violations actions, or notices of default against the lot. If (B) is initialed, explain: \_\_\_\_\_



Buyer



Seller





Maryland Homeowners Association Act Disclosures To Buyer

   
08/28/17 08/28/17  
5:55PM EDT 5:58PM EDT

(ii). Seller has no actual knowledge of any of the items listed in (4)(i) above.

(5). (i). Attached are copies of the following documents relating to the development and the homeowners association to which the Buyer shall become obligated upon becoming the owner of the lot: (Seller to initial all applicable items.)

   
08/28/17 08/28/17  
5:55PM EDT 5:58PM EDT


A. Articles of incorporation;


B. Declaration of covenants and restrictions;

C. All recorded covenants and restrictions of the primary developments, and of other related developments to the extent reasonably available;

D. The bylaws and rules of the primary development, and other related developments to the extent reasonably available.



(ii). Obligations contained in the attached copies of documents: (Seller to initial any applicable provision.)



A. Are  or Are Not ☐ ☐ enforceable against an owner;

B. Are  or Are Not ☐ ☐ enforceable against the owner's tenants.

The information contained in this Addendum issued pursuant to Section 11B-106(b) of the Maryland Homeowners Association Act is based on the Seller's actual knowledge and belief and is current as of the date hereof.



Seller hereby acknowledges that Seller has provided all information necessary to complete this Addendum, in compliance with the Act, and that Seller has reasonable grounds to believe and does believe, after reasonable investigation, that the information and statements herein provided to Buyer are true and that there is no omission to state a material fact necessary to make the statements not misleading.

   
Seller Date

   
Seller Date

Buyer hereby acknowledges that Buyer, on the date indicated below, has received all of the disclosures contained herein, including attachments as indicated, and that Seller has fully complied with the disclosure requirements of the Act.

Buyer Date

   
Buyer Date

08/28/2017  
11:17 AM

809 Villages of Winterset 1B BALANCE SHEET 07/31/2017
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Page: 1

410-997-7767  
7484 Candlewood Road, Suite H  
Hanover MD 21076

Acct#	Account	Amount
	Assets	
	Operating-	
1010	Operating Account - Smartstreet/Union Bk	12,565.29
1296	A/P Due to Reserve	(39,411.25)
	Total Operating Fund	(26,845.96)
	Reserve-	
1310	Reserve MM/Chkg	107,635.74
1410	Reserve Certificate of Deposit	56,973.08
1696	A/R-Reserve	39,411.25
	Total Reserve Fund	204,020.07
	Total Assets	177,174.11
	Liabilities & Equity	
	Current Liabilities-	
2010	Loan Payable	(26,000.00)
	Total Current Liabilities	(26,000.00)
	Equity	
2710	Operating Fund Equity	(20,782.28)
2720	Reserve Fund	186,488.46
	YTD Reserve Equity	17,531.61
	Net Income	19,936.32
	Total Equity	203,174.11
	Total Liab & Equity	177,174.11

Account				Maturity	Rate	Amount
1310	Reserve MM/Chkg	76	Congressional Bank		0.90%	107,635.74
				Total		107,635.74
1410	Reserve CD	131	18 Mo Severn Savings	03/23/2017	0.30%	6,078.63
1410	Reserve CD	147	30 Mo American Bank	02/24/2018	0.85%	6,201.69
1410	Reserve CD	149	18 Mo American Bank	09/29/2016	0.65%	13,102.11
1410	Reserve CD	62	9 Mo Revere Bank	02/27/2017	0.30%	31,590.65
				Total		56,973.08
				Entity Total		164,608.82

# **Architectural Guidelines**

## **The Villages of Winterset Section 1B Homeowners Association Inc.**

**VILLAGES OF WINTerset**  
**HOMEOWNERS ASSOCIATION**  
**ARCHITECTURAL GUIDELINES**

**AUGUST 1995**

## WHAT ARE THE COVENANTS?

The Declaration of Covenants, Conditions and Restrictions are the documents you received at the point of sale of your unit. They are the legal binding documents between the Homeowner's Association (HOA) and each member (you) to which all parties must abide by. Our covenants assure owners of certain minimum standards for land use, architectural design and property maintenance throughout the community. They also provide for your membership in the HOA and establish a mechanism for the operation of the HOA on a daily basis.

The covenants "run with the land" as a part of your deed of ownership. The covenants are a contractual obligation between the homeowner and the HOA, and every homeowner is obligated to abide by them. It is our hope and intent to assist you in every way to obtain the fullest enjoyment of your property and the commonly owned property consistent with your obligations to the other homeowners and the HOA.

## HOW DOES THE ARCHITECTURAL CONTROL PROCESS WORK?

Every effort has been made to make this process as simple and efficient as possible. Homeowners making exterior alterations or additions to their lot using these guidelines may simply complete the application, enclosing a picture or drawing of the proposed alteration, and the location of the alteration on their property survey. Approvals will be automatic provided all requirements and guidelines are met. All approvals are based on the final grade and stabilization of your lot. No construction may begin until your lot is in compliance with the construction site plans per County requirements. Owners who proceed to construct exterior alterations prior to final Architectural Review Committee (ARC) approval or final site approval on their lot do so at their own risk.

Please be reminded that it is the homeowner's responsibility to apply for and obtain all permits required by the County. A building permit for decks and fences is normally required by various counties.

Homeowners are reminded that construction of a fence in an easement area will be at the owner's risk and the HOA assumes no liability.

Approval or denial of any architectural alteration submitted to the ARC is based on the HOA's criteria. Property owners have the sole responsibility for compliance with County codes and regulations.

## ITEMS NOT COVERED IN THE GUIDELINES

Any alteration which is not included in the guidelines requires submission of a fully completed application. Approval or denial of the application shall be based on the HOA's criteria. The decision of the ARC will be final and shall set the standards for similar alterations for the community.

Although the HOA documents allow sixty (60) days for the process of review and decision of applications, every effort will be made to complete and return your application as quickly as possible. Incomplete applications will be returned to the homeowner without further review.

## HOW DO I DETERMINE MY PROPERTY LINES?

It is your responsibility to obtain a survey and permanent stakes for your property corners. You may use the contractor of your choice to perform the work, or you may feel free to call the contractor used by your builder. Caution should be used in this issue, as you need to verify with your builder that the fine grade and stabilization is completed on your lot before it is surveyed and construction of any exterior alteration begins.

It is your responsibility to ensure the proper installation of all exterior alterations on your lot within the property line boundaries and as defined in these guidelines.



## GUIDELINES

### AIR CONDITIONERS

Window air conditioners are strictly prohibited.

### ANIMALS

Please refer to your covenants regarding prohibited use and nuisances. The maintenance, keeping, boarding or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited. The keeping of two (2) dogs, or two (2) cats, or two (2) caged birds or any combination thereof, as domestic pets, provided they are not kept, bred or maintained for commercial purposes and that such domestic pets are not a source of annoyance or nuisance to the neighborhood or other members, and provided further that any such pets are walked on any designated pet walking areas, is allowed. Pets shall be attended at all times and shall be registered, licensed and inoculated as may from time to time be required by law. Pets shall not be permitted upon the common area unless accompanied by a responsible person and unless they are carried or leashed. All pets are to be kept under the physical control of their owners and are to be cleaned up after immediately.

### ANTENNAS

No outside television, aerial or radio antenna, or other aerial or antennas for receipt or transmission, shall be maintained upon the property, including satellite dishes.

### AWNINGS AND SUN TRELLISES

Awnings and sun trellises are strictly prohibited in the front of homes and must be individually approved by the ARC in the rear of homes. Collapsible table umbrellas are excepted from this guideline when reasonable in size.

## **BOATS, TRAILERS, TRUCKS, RVs**

No junk vehicle, unlicensed or inoperable motor vehicle, trailer, camper recreational vehicle, van (except a 9 passenger or less van), camp truck (weighing 3/4 ton or more), house trailer, boat or other similar machinery or equipment of any kind or character (except for such equipment and machinery as may be reasonable, customary or usual in connection with the use and maintenance of any dwelling and except for such equipment and machinery as the HOA may require in connection with the maintenance and operation of the common and open areas) shall be kept upon the property nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out thereon.

Abandoned, stored, junked, or those vehicles without license plates are prohibited and subject to towing at the homeowner's expense.

Any extraordinary vehicle maintenance which requires dismantling the vehicle or which will take more than 48 hours to complete is prohibited. During the 48 hour period of such maintenance, tools, parts, supplies, etc. must be kept within a close vicinity to the maintenance so as not to inconvenience the homeowners. Tools, supplies, parts, etc. must not be left on private property or common areas. Oil and other vehicle lubricants must not be dumped or discarded on private property or common areas and should be properly disposed of in accordance with state and federal guidelines.

## **CLOTHES LINES**

No clothing or any other household fabric shall be hung in the open on any lot.

## **COMMON AREAS**

No dumping of trash, grass clippings, weeds or gardening debris is allowed on any of the common areas. No noxious or offensive activity is permitted within the community.

## DECKS

All decks require a completed application and a county building permit.

- A. **Materials:** Decks may be constructed of pressure-treated lumber, solid redwood or solid cedar only.
- B. **Finish:** Natural or clear wood finish only. No stain or paint of any type is permitted. Use of a clear water repellent sealer is recommended.
- C. **Placement:**
  1. On multi-family units, decks may not be built forward of the rear foundation wall and stairs on the side of the deck may not extend past the side foundation wall. Stairs located on the rear of the deck may not extend more than 17 feet from the rear foundation wall or 3 feet past the maximum deck length allowed by County zoning ordinances. Length or depth is considered from the rear foundation wall to the rear property line. Width is considered from the party wall to the outside foundation or opposite party wall on multi-family units and from outside foundation wall to outside foundation wall on single family lots.
  2. Decks must be attached to the dwelling. No free-standing decks will be permitted.
  3. Decks on interior multi-family homes must be placed a minimum of 1 foot inside each party wall. Decks on end multi-family units must be placed a minimum of 1 foot inside the inside party wall, but may extend to the outside foundation side wall and no further. This restriction includes stairs, footers, joists, railings, supports, flooring and all other portions of the deck.
  4. Decks built off the second floor of a home may not have a roof, rafters, overhead beams or joists of any kind and may not be closed in. Ground level decks may not be closed in.
  5. Wooden patios that are installed one inch or more above the ground are considered decks and must comply with these deck guidelines.

D. Size:

1. No deck on interior multi-family homes may exceed 18 feet wide x 14 feet deep. No deck on end multi family units may exceed 19 feet wide x 14 feet deep. No deck on single family homes may exceed 46 feet wide x depth allowed by County zoning ordinances.
2. Decks 30 inches or more off the ground must have railings and balusters no shorter than 3 feet nor higher than 3 feet 6 inches around the perimeter. Spacing between balusters may not exceed 4 inches. No privacy fencing of any type extending above the maximum railing height is permitted. Balusters must be perpendicular to the deck floor and spaced evenly around the perimeter of the deck. No "sunburst" or other design patterns in the balusters is permitted.

E. Structure:

1. All support posts which make contact with the ground must be installed in concrete footers or be anchored above ground to a concrete footer. Concrete footers must extend below the frost line (approximately 3 feet below ground).
2. All county codes in relation to decks must be followed and all decks must receive a certificate of inspection from the county.

F. Shape:

1. Decks need not be square or rectangular and may include offsets, angled portions or tiers, but in no event may the total deck size exceed the maximum deck size defined above.
2. Stairs are considered separate from the maximum deck size defined above, but cannot extend more than 3 feet from the maximum deck size.

G. The owner will be responsible for correcting any water damage to adjoining property as a result of redirected flow of ground water resulting from construction of a patio or deck.

## DOG HOUSES AND RUNS

Baltimore County regulations are to be abided when all animals/pets are outdoors. Dog houses must be kept with the privacy fencing in rear yards. Dog houses and runs of any kind are prohibited unless the homeowner's rear property is completely enclosed with approved fencing. The attached diagram represents the approved type of dog house allowed. Dog runs will be permitted at the sole discretion of the Board of Directors so long as they are maintained in a sanitary condition, i.e., all feces cleaned up daily, the ground is periodically limed to keep offensive odors under control, and they do not interfere with the peaceful enjoyment of neighbors.

## FENCES

All fences require a completed application.

### A. Materials:

1. Chain link fencing is strictly prohibited except the addition of dark-colored wire mesh on split rail fencing and where builder installed or used as temporary model fencing. Fencing of any kind is prohibited in front yards.
2. In no case will temporary stockade or snow fences, collapsible or folding type fences be permitted on any lot unless builder installed.
3. Fencing on multi-family homes must be of the same exact style, material, height, color and finish as the party wall installed by the builder. All fencing must match the party wall fencing. If party wall fences are not installed by the builder, the following types of fencing are allowed with a maximum height of 6 feet:

Multi-family homes:

Board-on-board  
Colonial Picket  
Gothic Scallop

Single family homes:

Board-on-board  
Colonial Picket  
Gothic Scallop  
Split Rail

**PLEASE NOTE:** Homes whose rear yards back to common areas may only install split rail fencing along the rear property line. The side fencing may be board-on-board in these cases only. The purpose of this stipulation shall be to eliminate the creation of closed-in "alleyways" which become unsafe areas hidden from public view. In addition, the common areas are to be kept visually open for all homeowners to enjoy.

**B. Placement:**

1. All fencing on multi-family units must align to and join existing party wall fencing. Fencing on all units must be perpendicular, straight and lay parallel to the ground.
2. Fencing may not extend forward of the rear foundation wall except where builder-installed fencing is installed forward of the rear foundation wall. In that case, rear fencing may extend outward to the side property line and forward to meet the builder installed forward fencing. In no case can fencing extend forward beyond the builder-installed forward fencing. Fencing on end multi-family units may extend outward from the rear foundation wall and side foundation wall interception in a straight line to a maximum of 1 foot inside the side yard property line.
3. Rear yard fencing must be placed 1 foot inside the rear property line and be aligned with neighboring rear fencing so that all rear fencing on the row of homes is straight, level and at the same placement. No staggered fencing will be permitted to the rear of the row of homes.

**C. Size:**

1. Fencing must extend a minimum of 1 foot inside the rear property line. No partial fencing, other than existing party wall fencing will be allowed.
2. All vertical posts and boards must be straight, level and plumb.
3. Fence height on multi-family units must match the existing party wall fencing. It cannot be higher or lower than the party wall fencing installed by the builder. Maximum height of fencing is 6 foot.
4. Gates must open inward into the yard and cannot open outward into common area. All gates on end multi-family units must be placed at the rear. No gates will be permitted on the side fencing or towards the front of the home. All gates must match the fencing in style, materials, height and finish.
5. Fence posts must be installed in either concrete or gravel base. They cannot be installed directly into the ground.
6. The homeowner is responsible for trimming and maintaining the fence line on both the interior and exterior of the fence. No plantings of any type will be permitted on the exterior of the fence.
7. Construction of a fence in an easement will be at owner's risk.

## **FIREWOOD**

Firewood may be stored outside if stacked neatly in rear of house and on homeowner property.

## **FRENCH DOORS**

A completed application is required. The exterior of the door must be white or match exactly the trim color of the house.

## **GRILLS, FIREPLACES**

Permanent outdoor cooking grills or outdoor fireplaces are strictly prohibited. Portable grills must be located behind the house. Fireplaces that are not installed by the builder require a completed application and must meet all local building codes.

## **GUTTERS, DOWNSPOUTS**

The drainage patterns on adjacent property shall not be adversely affected, and no direct drain onto common or neighboring sidewalks is allowed. A factory applied finish is required and color shall be either white or match the trim of the home.

## **HEAT PUMP UNITS**

Exterior heat pump units may be relocated only when they do not interfere visually or acoustically with the neighbors.

## **HOT TUBS, JACUZZIS, WHIRLPOOLS**

A completed application is required for all hot tubs, jacuzzis and whirlpools. They shall be located at the rear of the home within the side foundation walls of the residence and shall not be more than 14 feet from the rear foundation wall. Generally they shall not protrude more than 3 feet from the adjacent ground or deck level and shall be of a material that will blend with surrounding structures. Such items will not be approved unless the homeowner's rear property is completely enclosed with approved fencing.



The application must include the following information:

- A. A site plan showing the location of the item and its relationship to existing structures, fencing, drainage and property lines.
- B. Dimensions, type and color of proposed materials.
- C. Proposed screening and landscaping plans.

Adequate drainage for the facility will be carefully evaluated for site selection approval. A child-proof cover is absolutely required.

### LANDSCAPING

A complete application is required for, but not limited to, the following instances:

- A. Any plantings used as a hedge, windbreak or for screening purposes. Hedges will be considered on an individual basis.
- B. Landscaping which involves a change of grading or slope, or installation of a retaining wall or other structure on common area.
- C. Installation of any permanent walkway of stone, brick or flagstone.

An application is not required for the planting of:

- A. Individual shrubs (unless used as a hedge), foundation plants, small annual or perennial beds, ground covers or single specimen trees which, at maturity will be in scale with the house size.
- B. Stepping stones flush with the ground.

- C. The owner will be responsible for correcting any water damage to adjoining property as a result of redirected flow of ground water resulting from the installation of any landscaping.

Plantings which would require the removal or change in location of any builder installed fencing, sheds, etc. are strictly prohibited.



## LAWNS

Proper lawn maintenance is expected of all homeowners. All lawns front and back may not be allowed to grow more than 4 inches high. If an owner does not comply with this requirement, then the HOA may take action to have the lawn mowed at the owner's expense. Homeowners shall prune any shrubs, trees, plantings, etc. on their lot so as to remain attractive and not interfere with neighbors enjoyment of their homes.

## LAWN FURNITURE

Redwood or other raw wood lawn furniture as well as glass and/or metal patio furniture is permitted in the rear yards only. Lawn furniture may be displayed on the front porch for those homes that have a covered front porch. Lawn furniture is not permitted on the front lawn of any home. When lawn furniture is not in use the homeowner must store loose items within the privacy fencing in the rear of the home or on a deck or patio.

## LAWN ORNAMENTS/ORNAMENTAL GARDEN & FISH PONDS

Lawn ornaments of any type, bird baths or garden statues, ornamental garden and fish ponds are strictly prohibited in front yards. Ornamental garden and fish ponds will be reviewed on an individual basis for rear yards where homeowner's rear property is completely enclosed with an approved fencing. A complete application is required for ponds and must include the following information:

- A. A site plan showing the location of the pond and its relationship to existing structures, fencing, drainage and property lines.
- B. Dimensions, type, shape and color of proposed materials, including any lighting to be installed. Pond dimensions must be in relationship to size of home and yard. Preformed or free-form PVC ponds may not be deeper than 30 to 36 inches in any area.

## PAINTING, STAINING

No change in color, shade or tint of the trim, shutters or door of any structure is permitted. Please ensure that the paint you use is adequately matched to the color of the structure being painted. An application is not necessary if the structure is painted exactly the same color as the original structure's color.

Brick and aluminum siding may not be painted or replaced with that of a different color. Decks may not be painted or stained. (See deck guidelines.)

## PERMANENT EXTERIOR LIGHTING

Permanent exterior lighting and wiring require a completed application. All exterior lighting will be installed so as not to shine on an adjacent property or common area. Bug zappers are permitted in the rear yard only. Permanent party lights are prohibited. Florescent lights used outdoors are prohibited. A completed application is required for the following:

- A. A change in style, size, shape, color or positioning of any existing light fixture. An application is not required for the replacement of an existing light fixture if replaced with a fixture that closely resembles the original fixture in size, shape, color and location.
- B. Installation of any new exterior lighting.
- C. Installation of low-level lighting such as front walk light, accent lights and deck lights.
- D. Proposed landscaping and screening plans.

## PATIOS

Patios are strictly prohibited in front yards. All patios require a completed application.

- A. Patios shall be not larger than 6 inches above the ground. Materials allowed are reinforced concrete, flagstone or brick. If brick or flagstone is used, then a sturdy wooden barrier must surround the perimeter of the patio unless the brick or flagstone is at ground level.
- B. Patios shall not exceed 18 feet wide x 14 feet deep on multi-family units and 46 feet wide x depth allowed by County zoning ordinances on single families. All patios must be a minimum of 1 foot in from the side party wall or side foundation walls.
- C. Patios shall not be permitted forward of the rear side foundation wall.
- D. Patios must not affect the drainage of adjoining property.
- E. The owner will be responsible for correcting any water damage to adjoining property as a result of redirected flow of ground water resulting from the construction of a patio or deck.

## RECREATIONAL EQUIPMENT

Portable items including, but not limited to, children's wading pools, sand boxes, play houses, gym equipment and swing sets are permitted in rear yards only. All such items must be removed from public view or stored within the privacy fencing of the rear yard while not in use. Permanent, non-movable items of this type are prohibited unless the homeowner's rear property is completely enclosed with an approved fencing.

## SHEDS

All sheds require an application. The attached diagram represents the type of sheds which will be approved by the ARC. Where builder-installed sheds are available, only the type, size and location of the builder-installed type shed will be allowed on those builder's lots without exception.

### A. Materials:

1. Storage sheds may be added providing that they are custom built with wood framing construction or pre-fabricated of wood construction. Siding used must be either aluminum or wood siding to match existing siding on the house. No other siding material will be approved.
2. No steel, metal or plastic sheds are permitted.
3. All sheds must have roofing materials that exactly match in type and color the material used by the builder on the home.
4. Sheds must be constructed on a slab or attached permanently to a secure foundation. Sheds may not be attached to any portion of any fence.

### B. Finish:

1. On sheds with aluminum siding, the materials and colors must be of the exact type and color and correspond with the materials and color of the house.
2. On pre-fabricated sheds, the color of walls (aluminum or wood siding) must match the color of the house.
3. All trim must match the corresponding roof and trim on the house.

**C. Placement:**

1. Sheds may be placed in the rear yard only and may not extend beyond any side foundation walls.
2. Sheds will not be allowed unless the rear property is completely enclosed with an approved fencing.
3. Sheds may not interfere with the natural or man-made grade or the natural flow of water or drainage to either adjoining lots or common area.
4. The 8 foot wall measurement must be placed parallel to the length of the fence from the rear foundation wall outward to the rear property line and may not be located further than 2 feet from any fencing. Sheds on multi-family homes must be located directly adjacent to the home and cannot be located in other areas of the yard. Please review the attached diagram for shed locations.

**D. Size:**

1. Sheds can be up to 6 feet wide x 8 feet deep.
2. The height of the shed may not exceed the fence height except that the roof may extend above the fence height no higher than 7 feet from ground level.

**SIGNS**

External signs on homeowner lots, except for temporary "For Sale" or "For Rent" signs not exceeding 4 square feet, are prohibited. Real estate signs must be removed after the sale or rental of the home is complete. No signs shall be permitted on the common area, except those approved by the Board of Directors.

## STORAGE OF MATERIALS AND TRASH REMOVAL

A. Visible storage of lumber (other than firewood as specified elsewhere), building materials, wheelbarrows, vehicle parts or other discarded items in the front, rear or side yards is prohibited. Temporary storage of lumber and building materials for ARC approved exterior alterations is allowed for a reasonable time in order to construct the alteration but shall not be stored at length for future construction. All materials remaining following the completion of an approved alteration must be removed in an expedient fashion.

B. Trash disposal rules and regulations:

1. Trash or garbage containers shall not be permitted to remain in public view from the front of the home except on trash pick-up days.
2. Trash is to be left at the pick-up areas designated by the County (normally the closest island to the homeowner) and all homeowners shall abide by any recycling and regular trash pick-up days designated by the County or other authority.
3. Trash should be placed out for pick-up on regular pick-up days before 6:00a.m. Trash may be placed out the previous evening, but only after dusk.
4. Garbage cans are preferred, but heavily gauged bags are acceptable so long as they are tied.
5. Please be courteous and help keep your community free of litter.

C. Bulk trash removal is the responsibility of the homeowner. Should bulk pick-up days be available by the County, it may only be placed at the designated location on the day of the pick-up.

It is County law that Builder and developer supplied trash dumpsters cannot be used by homeowners for household trash and garbage, lawn debris or bulk trash. Appropriate measures will be taken against any homeowner found to be abusing this rule.

# Storm Doors



At , we build craftsmanship into every detail of our doors. What does that mean? It means every little thing counts. From the smooth operation of self-lubricating hinges, to the shine on the solid brass handle of our Prestige-Core® storm doors. And it's been that way for more than 40 years. Inside and out, doors combine the best qualities of remarkably durable construction and exceptional fit and finish. And offers eight distinctive series to provide you with a variety of choices that fit your house and your budget. When you buy a door, you're getting an addition to your home that's as durable as it is good-looking. It's also an incredible value. With all that, no wonder is the best-selling storm door in America.

1 1/2 fold to choose your storm door.

## Full-Lite



Model No.	Chateau-View® Groove Border Full-View
Description	Ultra-sturdy construction, 1 1/4" aluminum frame filled with insulating foam. Beveled glass window and screen easily switch for seasonal ventilation.
Handle	Solid brass lever and lock. Lock can be keyed to match your primary entrance door.
Closers	Two color-matched, heavy-duty pneumatic closers.
Colors	White, almond, sandstone brown, hunter green, wedgewood blue.
Warranty	Lifetime Plus Warranty

STORM DOOR - EXH. 16A

## GENERAL INFORMATION:

**Professional Offices, Home Businesses:** All lots are for residential use only. No professional or home industry may be conducted without the specific approval of the ARC.

**Parking:** Each lot is entitled to the use of not more than 2 on street parking spaces. If the HOA deems it necessary, it may, at its option, permanently assign 1 parking space for each lot and enforce restricted parking.

**Other Alterations:** It is impossible to write the guidelines necessary to cover all exterior changes. When a guideline is not available for the temporary or permanent alteration you are proposing, a completed application is necessary. Emphasis will be placed on proper scale, materials and impact on the overall appearance of the community.

Applications that do not include sufficiently detailed information to permit understanding and evaluation of your proposal will be returned without approval.

This document is intended to be a part of your permanent records. In the future, revisions will be made on a page-by-page basis for insertion into this booklet.

**VILLAGES OF WINTERSET  
SINGLE FAMILY  
HOMEOWNER'S ASSOCIATION MAILBOX SPECIFICATIONS**

1. Single family homes must purchase and install individual mailboxes at the front of their homes at the road.
2. Mailboxes may be standard sized black metal or natural wood. No "oversized" boxes are allowed.
3. No permanent monuments or structures enclosing the mailbox are allowed (i.e., brick, etc.
4. Mailboxes must be mounted on natural wood or black metal posts no larger than 4" x 4".



**Articles of Incorporation**  
**The Villages of Winterset Section 1B Homeowners Association Inc.**

**THE VILLAGES OF WINTERSET**  
**SECTION 1B**

**Corporate Documents** - Village of Winterset Section 1B Homeowners Association, Inc.

1. Articles of Incorporation recorded by the State Department of Assessments and Taxation of Maryland on September 22, 1994 in Liber 3648, folio 1626.
2. Bylaws recorded among the Land Records of Baltimore County, Maryland on January 30, 1995.
3. Informal Organizational Action of the Board of Directors dated as of September 23, 1994

**Documents Recorded in the Land Records**

4. Declaration of Covenants, Conditions and Restriction recorded among the Land Records of Baltimore County, Maryland on January 30, 1995 in Liber 10936, folio 255.

## VILLAGE OF WINTERSET SECTION 1B HOMEOWNERS ASSOCIATION, INC.

### Informal Organizational Action of the Board of Directors

As of this 23rd day of September, 1994, the undersigned, constituting all of the members of the Board of Directors of the Village of Winterset Section 1B Homeowners Association, Inc., a Maryland corporation (the "Corporation"), in accordance with Section 2-408(c) of the Corporations and Associations Article of the Annotated Code of Maryland, do hereby take the actions below set forth, and to evidence their waiver of any right to dissent from such actions, do hereby consent a follows:

**RESOLVED:** That the Articles of Incorporation of this Corporation filed with the State Department of Assessments and Taxation on September 22, 1994, and attached hereto and incorporated by reference herein be and the same are hereby approved and accepted.

**RESOLVED:** That the By-Laws attached hereto and incorporated by reference herein be and the same are hereby declared to be the By-Laws of the Corporation.

**RESOLVED:** That the following persons be and they are hereby elected as officers of the Corporation in the respective capacities set forth after their several names, the term of office of each person to be until the first meeting of the Board of Directors and until their respective successors shall be elected and qualified:

T. Kevin Carney, President  
Robert C. Goodier, Secretary  
Edward T. Brush, Vice-President/Treasurer

**RESOLVED:** That the seal of the Corporation shall consist of a circular impression bearing around the outside rim the words "Village of Winterset Section 1B Homeowners Association Inc.", the word "Maryland", and in the center the date "1994".

**RESOLVED:** That the Provident Bank be and it hereby is designated as a depository of this Corporation, and that the corporate banking resolutions of said bank, attached to these minutes and incorporated herein, be and the same are hereby unanimously adopted and approved.

**RESOLVED:** That the Treasurer be and he is hereby authorized and directed to pay all fees and expenses incident to and necessary for the organization and qualification of the Corporation, including, without limitation, all legal and accounting fees and costs to procure proper corporate books.

**RESOLVED:** That the appropriate officers of the Corporation be and they are hereby authorized to make, fill out and file applications for such federal, state and local permits, licenses, privileges and/or stamps as may be required by law in order to carry on the operations of the Corporation's business.

**RESOLVED:** That the Corporation is a non-stock, membership corporation for the calendar year 1994 and each year thereafter.


**RESOLVED:** That the Corporation open and maintain, in its name, bank accounts at various banking institutions as may be needed from time to time (the "Banks"), and that the withdrawal of funds from said accounts shall be subject to the order of T. Kevin Carney, President of the Corporation, and such other individuals as the Board of Directors shall designate from time to time.


**RESOLVED:** That the President and Secretary of the Corporation be and they are hereby authorized to execute for and on behalf of the Corporation, the Banks' form of Certified Corporate Banking and Borrowing Resolutions, copies of which shall be attached hereto, and to perform such other acts and deeds as may be necessary and proper to implement the foregoing resolution.

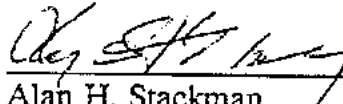
**RESOLVED:** That any and all actions taken or contracts entered into heretofore by an officer and/or director for the Corporation, either as officer and/or director, as well as any and all actions taken or contracts entered into by said persons as individuals, acting for the Corporation, be and are hereby ratified, approved and confirmed by the Corporation, and all contracts adopted as though said individual had at such time full power and authority to act for the Corporation and in the same manner as if each and every act had been done pursuant to the specific authorization of the Corporation.

This Informal Action of the Board of Directors may be executed in counterparts.

**WITNESS** our signatures as of the day and year first above written.

  
\_\_\_\_\_  
T. Kevin Carney

  
\_\_\_\_\_  
Robert C. Goodier

  
\_\_\_\_\_  
Alan H. Stackman

**ARTICLES OF INCORPORATION**  
**VILLAGE OF SECTION 1B**  
**HOMEOWNERS ASSOCIATION, INC.**

**THIS IS TO CERTIFY:**

**FIRST:** The undersigned, David A. Carney, whose post office address is 10715 Charter Drive, Suite 200, Columbia, Maryland 21044 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 "Association") is:

**VILLAGE OF WINTERSET SECTION 1B HOMEOWNERS ASSOCIATION, INC.**

**THIRD:** The purpose for which the Association is formed are as follows:

(1) 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 Association, 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 Association, 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 Association 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 Second Election District of Baltimore County, Maryland, as shown on the plat entitled "Amended Resubdivision of Section 1B, The Villages of Lyonsfield Run" recorded in the Land Records of Baltimore County, Maryland, in Plat Book S.M. No. 66, folio 37 and Plat Book S.M. No. 66, folio 38.

As of the date hereof, the aforesaid parcel includes those residential lots and open spaces as are more particularly described in Exhibits A and B to the Declaration of Covenants, Conditions, and Restrictions, made by Cabrigo Limited Partnership and the Association and recorded or intended to be recorded among the Land Records of Baltimore County, as same may hereafter from time to time be amended, or extended to any additional properties (the "Declaration"). The Declaration, which is hereby incorporated herein by reference and made a part hereof, is applicable to the Community (as defined in the Declaration). The Association shall enter into the Declaration for the purpose of subjecting to the Declaration the Common Area owned by the Association. Capitalized terms used but not defined herein shall have those respective meanings attributed to them in the Declaration.

(b) To exercise all the powers, rights and privileges and to perform all the duties and obligations of the Association, as 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 Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.

(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 Association, subject, however, to such approvals as are herein or in the Declaration required.

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(c) to borrow money for the purpose of improving the Common Area in a manner designed to promote the enjoyment and welfare of the members, and in aid thereof to mortgage any of the Common Area; provided, however, that no such mortgage shall be effective

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unless two-thirds (2/3) of each class of the then members of the Association consent to such mortgage at any regular meeting of the Members or any special meeting of the Members duly called for such purpose;

(f) To dedicate or transfer all or any part of the Common Area to any public or municipal agency, authority or utility for purposes consistent with the purpose of the Declaration and subject to such conditions as may be agreed to by the members; and further subject to the written consent of Baltimore County, Maryland; provided, however, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless two-thirds (2/3) of each class of the then members of the Association consent to such dedication, transfer, purpose and conditions, at any regular meeting of the members or any special meeting of the members duly called for such purpose. Notwithstanding anything to the contrary contained herein, during the Development Period, dedication of Common Area shall require prior approval of the United States Department of Housing and Urban Development, Federal Housing Administration, and/or the Veterans' Administration ("HUD/FHA/VA");

(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 Association, 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 Association, 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 Association is formed under the articles, conditions and provisions expressed herein and in the general laws of this State. In no event, however, shall the Association: (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 Association 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 Association in this State is 10705 Charter Drive, Suite 450, Columbia, Maryland 21044. The name and post office address of the resident agent of the Association in this State is T. Kevin Carney, 10705 Charter Drive, Suite 450, Columbia, Maryland 21044, said resident is a citizen of the State of Maryland and actually resides therein.

**FIFTH:** The Association is not authorized to issue any capital stock. Every person or entity who is a record owner of any lot in the Community shall be a Member of the Association and shall have voting rights therein. Membership is appurtenant to, and inseparable from, ownership of the lots.

(a) The Association shall have two (2) classes of voting membership;

(i) Class A. Except for the Declarants and the Builder, which shall initially be Class B members, the Class A members shall be all Record Owners holding title to one (1) or more Lots; provided, however, that any Mortgagee or any other person or entity who holds such interest solely as security for performance of an obligation shall not be a Class A member solely on account of such interest. Each Class A member shall be entitled to one (1) vote per Lot, for each Lot owned by it, in all proceedings in which action shall be taken by members of the Association.

(ii) Class B. The Class B member(s) shall be the Declarants and the Builder. The Class B member(s) shall be entitled to three (3) votes per Lot for each Lot owned by it, in all proceedings in which actions shall be taken by members of the Association.



Notwithstanding anything in these Articles to the contrary, the Builder shall be conclusively presumed, by its having accepted the conveyance from Declarants of the legal title to a Lot:

(A) to have given the Declarants an irrevocable and exclusive proxy entitling the Declarants, at each meeting of the Membership held while such Builder holds such title, to cast the votes in the Association's affairs which such Builder holds under the foregoing provisions of this Section on each question which come before such meeting;

(B) to have agreed with the Declarants that such proxy is given to and relied upon by the Declarants in connection with the Declarant's development, construction, marketing, sale and leasing of any or all of the Property and is coupled with an interest; and

(C) such proxy shall cease with respect to the votes appurtenant to a Lot when dwelling has been constructed on such Lot and legal title to such Lot is conveyed to a person who intends to occupy or lease such dwelling as a residence.

(b) If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, holds the record title to any Lot, all of the same, as a unit, and not otherwise, shall be deemed a single member of the Association. The vote of any member comprised of two (2) or more persons, firms, corporations, trustees, or other legal entities, or any other combination thereof, shall be cast in the manner provided for in these Articles and/or the Bylaws of the Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per Lot for each Lot owned by them. If only one such constituent votes, he, she or it may cast the entire vote of the member and such vote shall bind all such constituents.

(c) The Class B membership in the Association shall exist from the date hereof to the earlier to occur of (i) December 31, 2005; or (ii) 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(s) of the Association (the "Development Period"). Upon the expiration of the Development Period, the Class B membership shall cease and be converted to Class A membership in the Association. The Declarants (and the Builder) shall thereafter remain a Class A member of the Association as to each and every Lot from time to time subject to the terms and provisions of this Declaration in which the Declarants (or the Builder) then holds the interest otherwise required for Class A membership. Notwithstanding the foregoing, the Development Period shall not cease and the Class B membership shall not convert to Class A membership as a result of the total number of Class A votes equalling or exceeding the total number of Class B votes if, by annexing Additional Property to the Community, the Declarants may increase the Class B votes to a number in excess of the Class A votes.

**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 Bylaws of the Association, 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 T. Kevin Carney, Robert C. Goodier and Alan H. Stackman. No Director need be a member of the Association.

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 three (3) 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 Association shall be perpetual. The Association, 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 Association, 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 Association, 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 Association, by dedication thereof to any appropriate public agency to be used for purposes similar to those for which the Association 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,





ARTICLES OF INCORPORATION  
OF  
VILLAGE OF WINTERSET SECTION 18 HOMEOWNERS  
ASSOCIATION, INC.

APPROVED AND RECEIVED FOR RECORD BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION  
OF MARYLAND SEPTEMBER 22, 1994 AT 4:14 O'CLOCK P. M. AS IN CONFORMITY  
WITH LAW AND ORDERED RECORDED.

ORGANIZATION AND  
CAPITALIZATION FEE PAID:

\$ 20.00

RECORDING  
FEE PAID:

\$ 20.00

SPECIAL  
FEE PAID:

\$

03973849

XX

IT IS HEREBY CERTIFIED, THAT THE WITHIN INSTRUMENT, TOGETHER WITH ALL INDORSEMENTS THEREON, HAS  
BEEN RECEIVED, APPROVED AND RECORDED BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND.

REESE AND CARNEY- C. WARD  
10715 CHARTER DRIVE  
COLUMBIA MD 21044

063C3085655

A 465386



RECORDED IN THE RECORDS OF THE  
STATE DEPARTMENT OF ASSESSMENTS  
AND TAXATION OF MARYLAND IN LIBER, FOLIO.  
3548 1626

STATE OF MARYLAND  
WILLIAM DONALD SCHAEFER  
Governor  
LLOYD W. JONES  
Director  
PAUL B. ANDERSON  
Administrative



Department of Assessments and Taxation  
CHARTER DIVISION  
Room 809  
301 West Preston Street  
Baltimore, Maryland 21201

IDENT CODE 0238 BUSINESS CODE 04 COUNTY 63  
# \_\_\_\_\_ P.A. \_\_\_\_\_ Religious \_\_\_\_\_ Close \_\_\_\_\_ Stock ☒ Nonstock

Merging (Transferor) \_\_\_\_\_ Surviving (Transferee) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CODE	AMOUNT	FEE REMITTED
10	<u>39</u>	Expedited Fee (New Name) _____
20	<u>20</u>	Organ. & Capitalization _____
61	<u>20</u>	Rec. Fee (Arts. of Inc.) _____
62	_____	Rec. Fee (Amendment) _____
63	_____	Rec. Fee (Merger, Consol.) _____
64	_____	Rec. Fee (Transfer) _____
65	_____	Rec. Fee (Dissolution) _____
66	_____	Rec. Fee (Revival) _____
52	_____	Foreign Qualification _____
50	_____	Cert. of Qual. or Reg. _____
51	_____	Foreign Name Registration _____
13	_____	Certified Copy _____
56	_____	Penalty _____
54	_____	For. Supplemental Cert. _____
53	_____	Foreign Resolution _____
	_____	Certificate of Conveyance _____
	_____	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 _____
	_____	Other Change _____

75	_____	Special Fee _____
80	_____	For. Limited Partnership _____
83	_____	Cert. Limited Partnership _____
84	_____	Amendment to Limited Partnership _____
85	_____	Termination of Limited Partnership _____
21	_____	Recordation Tax _____
22	_____	State Transfer Tax _____
23	_____	Local Transfer Tax _____
31	<u>6</u>	Corp. Good Standing <u>316825</u> _____
67	_____	Cert. Limited Liability Partnership _____
87	_____	Limited Part. Good Standing _____
69	_____	Foreign Limited Liability Partnership _____
600	_____	Returns _____
68	_____	LLP Amendment - Domestic _____
74	_____	LLP Amendment - Foreign _____
70	_____	Change of P.O., R.A. or R.A.A. _____
91	_____	Amend/Cancellation, For. Limited Part. _____
99	_____	Art. of Organization (LLC) _____
98	_____	LLC Amend, Diss, Continuation _____
97	_____	LLC Cancellation _____
96	_____	Registration Foreign LLC _____
94	_____	Foreign LLC Supplemental _____
92	_____	LLC Good Standing (short) _____
	_____	Other _____

CODE 096

ATTENTION: CATHLEEN WARD

MAIL TO ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TOTAL FEES 85 UTSA  
\_\_\_\_\_ Check \_\_\_\_\_ Cash

NOTE:

Documents on \_\_\_\_\_ checks

APPROVED BY: WM

3648 1632

**Budget**

**The Villages of Winterset Section 1B Homeowners Association Inc.**

11/18/2016  
12:27 PM809 Villages of Winterset 1B  
APPROVED BUDGET  
01/01/2017

Page: 1

410-997-7767

7484 Candlewood Road, Suite H  
Hanover MD 21076

OPERATING	PRIOR YR BUD 2016	APPROVED 2017
Assessment Income	113,902	113,902
Estimated Uncollectible Asse	(1,964)	(1,000)
	-----	-----
TOTAL INCOME	111,938	112,902
EXPENSES		
ADMINISTRATIVE		
Management Fee Mgmnt Fee	14,796	15,384
Tax/Audit Prep Fees	1,150	2,100
Taxes/Misc Fees Income Tax	100	100
Insurance Premium General	2,200	2,200
Insurance Deductible	500	500
Legal-Collection	2,500	2,000
Office Exp- Misc Admin/Expen	750	750
Office Exp- Postage	400	300
Office Exp- Printing/Copying	300	300
Office Exp- Coupon Book/Stat	700	700
Bank Charges	50	50
Master Association	32,932	36,133
Storage Rental	0	90
	-----	-----
TOTAL ADMIN EXP	56,378	60,607
OPERATING		
Grounds- Landscape Enhancemn	4,500	3,000
Snow Removal Exp.	12,000	7,000
Site Maint- Tot Lot Repair	1,500	1,000
Contract- Trash Removal	4,800	4,800
Contract- Lawn Maint	21,560	21,690
Reserve Study Exp	1,000	1,000
Contingency/Misc Exp	0	805
	-----	-----
TOTAL OPERATING	45,360	39,295
RESERVE TRSFS		
Reserve Transfer General Rep	10,200	13,000
	-----	-----
TOTAL RESERVE TRSF	10,200	13,000
	-----	-----
TOTAL EXPENSE	111,938	112,902

11/18/2016  
12:27 PM

809 Villages of Winterset 1B  
APPROVED BUDGET  
01/01/2017

Page: 2

410-997-7767  
7484 Candlewood Road, Suite H  
Hanover MD 21076

OPERATING	PRIOR YR BUD	APPROVED
	2016	2017
NET INCOME	0	0

## **Bylaws**

### **The Villages of Winterset Section 1B Homeowners Association Inc.**

EXHIBIT C

BYLAWS

of the

VILLAGE OF SECTION 1B HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is THE VILLAGE OF SECTION 1B HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall be located at 10705 Charter Drive, Suite 450, Columbia, Maryland 21044, 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 The Village of Section 1B Homeowners Association, Inc., its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property in the Second Election District of Baltimore County known as Lots numbered 100 through 123 and 132 through 152 as shown on the plat entitled "Amended Resubdivision of Section 1B, The Villages of Lyonsfield Run", recorded among the Land Records of Baltimore County in Plat Book SM. No. 66, folios 135 and 136, and described in the Declaration of Covenants, Conditions and Restrictions referred to in Article II, Section 7 hereof, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by a supplementary or amended Declaration.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use, benefit and enjoyment of the Owners.

Section 4. "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 5. "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 6. "Declarants" shall mean and refer to Cabrigo Limited Partnership, Declarants and any successor or assign thereof to whom the Declarants shall expressly (i) convey or otherwise transfer all of their rights, title and interest in the Land, the Property, or the lands thereof, as an entirety, without reservation of any kind, or (ii) transfer, set over and assign all of their rights, title and interest under the Declaration, or any amendment or modification thereof. Either hereinbefore mentioned Declarant shall have the right and power to act on behalf of both such Declarants and therefore the "Declarants" may act through one or both such Declarants.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, applicable to the Properties and recorded or intended to be recorded among the Land Records of Baltimore County, Maryland, and any additions, amendments or modifications thereto.

Section 8. "Member" or "Members" shall mean and refer to those persons entitled to membership in the Association, as provided in the Declaration.

Section 9. Any other terms used herein shall have the meaning 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 in 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.



**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 in the Class B membership.

**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.** Except as otherwise provided in the Declaration, the presence at the meeting of Members or of proxies entitled to cast ten percent (10%) of the votes of each class of membership shall constitute a quorum for any Incorporation, the Declaration, or these Bylaws. 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 (other than the proxy given by each Builder to the Declarants pursuant to the provisions of the Declaration) shall be in writing and filed with the Secretary. Every proxy (other than the proxy given by each Builder to the Declarants pursuant to the provisions of the Declaration) 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.

**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 at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

#### **ARTICLE V** **NOMINATION AND ELECTION OF DIRECTORS**

**Section 1. Nomination.** Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the President of the Association prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each 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 from among Members or non-members of the Association.

**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 Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Notwithstanding anything to the contrary contained herein, (a) at the first annual meeting of Members, the person receiving the largest number of votes shall be elected for a term of three (3) years, the person receiving the second largest number of votes shall be elected for a term of two (2) years and the person receiving the third largest number of votes shall be elected for a term of one (1) year; and (b) at any subsequent election, if more than one vacancy is to be filled, the number of persons equal to such vacancies receiving the largest number of votes shall be elected and, if applicable, from among those elected, the persons receiving the largest number of votes shall be elected to the longest terms.

## **ARTICLE VI**

### **MEETINGS OF DIRECTORS**

**Section 1. Regular Meetings.** Regular meetings of the Board of Directors shall be held quarterly without notice, at such place an hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

**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 (2) directors, after not less than three (3) days notice 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.

## **ARTICLE VII**

### **POWERS, RIGHTS AND DUTIES OF THE BOARD OF DIRECTORS**

**Section 1. Powers.** The Board of Directors shall have the 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 thereon, and to establish penalties (including fines) for the infraction thereof;

(b) suspend a Member's voting rights to sue any Common Area 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 thirty (30) days for infraction of published rules and regulations;

(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 Bylaws, 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 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 and The Board of Directors of The Villages of Winterset Community Association.** As described in the Declaration, Section 1B is included within the Villages of Winterset planned unit development, is subject to the master Declaration of Covenants, Conditions and Restrictions of The Villages of Winterset dated \_\_\_\_\_, as amended from time to time, and is subject to the rights of the Board of Directors of the Villages of Winterset Community Association set forth in said master Declaration. Without limitation, the Board of Directors of the Association and the Board of

Directors of the Villages of Winterset Community Association, Inc. have the following right of inspection:

(a) Every Director of the Association and every Director of the Villages of Winterset Community Association, Inc., a Maryland nonprofit, non-stock corporation, 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, and, when such right is exercised by a Director of the Villages of Winterset Community Association, Inc., all extracts and copies of documents requested by such Director shall be at such Director's expense.

(b) Anything contained in these Bylaws to the contrary notwithstanding, the rights of each Director of the Villages of Winterset Community Association, Inc. set forth in Section 2 (a) of Article VII of these Bylaws may not be amended, modified or rescinded at any time without the prior written consent of the Board of Directors of the Villages of Winterset Community Association, Inc.

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 the 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 the Common Area to be maintained.

#### ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the 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 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 Officers. 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 his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. The Vice-President shall likewise have the authority to sign all leases, mortgages, deeds and other written instruments.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meeting 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 the resolution of the Board of Directors; shall sign all books of account; cause an annual audit 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 Bylaws. 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 Bylaws 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 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 ten percent (10%) per annum, and shall be subject to a late charge of Fifteen Dollars (\$15.00) per month until paid or ten percent (10%) of the Assessment, whichever is greater, and the Association may bring an action by law against the Owner personally obligated to pay the same or foreclose the lien against the lot, and interest, costs and reasonable attorney's 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. During the Development Period, these Bylaws may be amended upon the approval of at least (i) two-thirds (2/3) of the Class A members, (ii) two-thirds of the Class B members and (iii) the Declarants. Upon the expiration of the Development Period, these Bylaws may be amended upon the approval of at least fifty-one percent (51%) of the members of the Association. Notwithstanding anything to the contrary contained herein, during the Development Period, amendment of these Bylaws shall also require the approval of FHA/HUD/VA.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. Capitalized terms used but not defined herein shall have those respective meanings attributed to them in the Declaration.

## ARTICLE XIV MISCELLANEOUS

The fiscal year of the Association shall begin on the first 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 and end on December 31st of the next year. Capitalized terms used but not defined herein shall have those respective meanings attributed to them in the Declaration.

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## END OF BYLAWS

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## CERTIFICATE OF SECRETARY

The undersigned Secretary of Village of Winterset Section 1B Homeowners Association, Inc., a Maryland nonprofit corporation does hereby certify that the foregoing Village Bylaws were duly adopted by the Board of Directors of said association on January 25, 1995 and that they now constitute said Bylaws of the Village of Winterset Section 1B Homeowners Association, Inc.

Bob Goodier

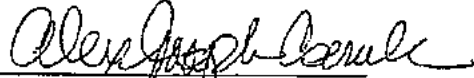
, Secretary

JAUSERSICFWWPDATWINTERIB.BYL  
November 3, 1994 (10:53am)

## **Declaration-CCRs**

**The Villages of Winterset Section 1B Homeowners Association Inc.**



  
ALEX JOSEPH CSERNEK, ESQUIRE

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DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

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VILLAGE OF WINTERSET SECTION 1B HOMEOWNERS  
ASSOCIATION, INC.

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OWINGS MILLS, MARYLAND

Record  
3rd

**DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
VILLAGE OF WINTERSET SECTION 1B HOMEOWNERS ASSOCIATION  
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VILLAGE OF WINTERSET SECTION 1B HOMEOWNERS ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") made this 25<sup>th</sup> day of January, 1995, by CABRAGO LIMITED PARTNERSHIP (hereinafter referred to as the "Declarants"). The VILLAGE OF WINTERSET SECTION 1B HOMEOWNERS ASSOCIATION, INC., the Association, joins herein for the purpose of consenting to the legal operation and effect of this Declaration upon its interests.

RECITALS:

A. The Declarants own all the land located within the Second Election District of Baltimore County, Maryland and as shown on a plat entitled "Amended Resubdivision of Section 1B, The Villages of Lyonsfield Run" (the "Plat") and recorded among the Land Records of Baltimore County, Maryland (the "Land Records"), in Plat Book S.M. No. 66, folio 135, et seq.

B. The Declarants intend to subject Lots 100 through 123 and Lots 132 through 152 as shown on the Plat and recorded among the Land Records, to the legal operation and effect of this Declaration, which lots shall be referred to herein as the "Land" which is more particularly described in Exhibit A, attached hereto and incorporated by reference herein.

C. All the Land being a part of a larger parcel of land known as the Villages of Winterset (the "Community Association") upon which certain covenants, conditions, restrictions, easements, charges and liens were imposed by a certain Declaration of Covenants, Conditions and Restrictions, recorded among the Land Records of Baltimore County, Maryland in Liber \_\_\_\_\_, folio \_\_\_\_\_.

D. Declarants desire to establish covenants, conditions and restrictions upon the Land and each and every portion thereof, which will constitute a general scheme for the management of the Land and for the use and occupancy thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Land and enhancing the quality of life therein.

E. Declarants intend to develop the Land as a planned unit development to be known as "Section 1B of The Villages of Winterset". Declarants may, but shall not be required to, annex additional property to Section 1B of The Villages of Winterset. Notwithstanding the foregoing, each Owner who takes title subject to this Declaration acknowledges that there is no assurance that the proposed development of Section 1B of The Villages of Winterset will be completed.

F. Declarants may add all or any of the real property described in Exhibit B attached hereto and incorporated herein to the Property already subject to this Declaration by Annexation (as hereinafter defined), and said additional property so annexed will thereupon be subject to this Declaration, become a part of and included within the definition of the Property, and be developed as a part of Section 1B of The Villages of Winterset.

G. The Villages of Winterset Section 1B Homeowners Association, Inc., a nonprofit, non-stock corporation, has been incorporated under the laws of the State of Maryland for the purpose of exercising the powers and functions set forth herein.

H. Declarants will hereafter hold and convey title to all of the Land subject to certain protective covenants, conditions and restrictions hereinafter set forth.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the Declarants do hereby establish and impose upon the Land the Covenants to be observed and enforced by them, their successors and assigns, as well as by all purchasers of Lots as shown on the Plat, to wit:

ARTICLE I  
DEFINITIONS

The following words when used in this Declaration (unless the context otherwise requires) shall have the following meanings:

1.1. Annexable Property shall mean any or all of the real property described on Exhibit B which may be made subject to this Declaration by Annexation pursuant to the provisions set forth in Article IV hereof.

1.2. Annexation shall mean the process by which the additional real property described in Exhibit B attached hereto may be made subject to this Declaration as set forth in Article IV.

1.3. Association shall mean and refer to the Village of Winterset Section 1B Homeowners Association, Inc., its successor and assigns.

1.4. Builder or Builders shall mean a person, persons, entity or entities, including successors and assigns, which shall, in the ordinary course of business, construct a dwelling on a Lot and sell or lease it to another person to occupy as such person's residence.

1.5. Common Area shall mean and refer to those areas of land, and Improvements thereto, which may be annexed into the Village and which is intended to be devoted to the common use and enjoyment of the Record Owners of the Lots. Common Area shall also include any other real property, Improvements or other facilities in which the Association acquires a right of use for the benefit of the Association and its members.

1.6. Community Association shall mean and refer to the Village of Winterset Community Association, Inc.

1.7. Declarants shall mean and refer to Cabrago Limited Partnership, and any successors or assigns thereof to whom Declarants shall expressly (i) convey or otherwise transfer all of their rights, title and interest in the Land, the Property, or the lands thereof, as an entirety, without reservation of any kind, or (ii) transfer, set over and assign all of their right, title and interest under this Declaration, or any amendment or modification thereof.

1.8. Improvement shall mean and refer to all structures and appurtenances thereto of every type and kind, including but not limited to, residences, and other buildings, outbuildings, walkways, pedestrian and bicycle trails, utility installation, swimming pools, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, awnings, patio and balconies stairs, decks, landscaping, hedges, slopes, windbreaks, the exterior surfaces of any visible structure, paintings, planted trees and shrubs, antennae, poles, signs, solar or wind powered energy systems or equipment, heater or air conditioning and heating fixtures or equipment; the demolition or destruction by voluntary action of any structure or appurtenance thereto of every type and kind; the grading, excavation, filling or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed; landscaping, planting, clearing or removing of trees, shrubs, grass or plants; and any change or alteration of any previously approved Improvement including any change of exterior appearance, color or texture.

1.9. Lot and/or Lots shall mean and refer to those areas of land shown and defined as parcels or plots of ground (exclusive of the Common Area) and designated by numerals on the Plat which is or are now subject or hereafter made subject to the Declaration.

1.10. Mortgage means any mortgage or deed of trust encumbering any Lot or any or all of the Common Area, and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Land Records.

1.11. Mortgagee shall mean and refer to the mortgagee or beneficiary under any Mortgage.

1.12. Plat shall mean and refer to the plat entitled "Amended Resubdivision of Section 1B, The Villages of Lyonsfield Run" as recorded among the Land Records in Plat Book S.M. No. 66, folio 135 and 136, and any Plats recorded among the Land Records in substitution therefor or amendment thereof, plus any plats hereafter recorded among the Land Records of any additional land that may hereafter expressly be made subject to this Declaration by an instrument in writing, duly executed, and recorded among the Land Records.

1.13. Property shall mean and refer to all of the land shown on and subject to the Plat, including any additional land that may hereafter expressly be made subject to this Declaration by an instrument in writing, duly executed and recorded among the Land Records.

1.14. Record Owner or Owner shall mean, refer to and include the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding the fee simple, record title to a Lot, or on any additional property subjected to this Declaration under the provisions of Article III hereof, as said Lot is now or may from time to time hereafter be created or established, either in his, her, or its own name, as joint tenants, tenants in common, tenants by entirety, or tenants in copartnership, 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 (1) Lot, whether it is in a real property tenancy, or partnership relationship, or otherwise, all of the same, as a unit, and not otherwise, shall be deemed a single Record Owner and shall be or become a single member of the Association by virtue of ownership of such Lot. The term Record Owner, however, shall not mean, refer to or include any contract purchaser, nor the owner of any redeemable ground rent issuing out of any Lot, nor shall it include the holder of any deed of trust or mortgage covering any Lot designed solely for the purpose of securing performance of an obligation or payment of debt.

1.15. Village shall mean and refer to all of the land hereby made subject to this Declaration or hereafter made subject to this Declaration by an instrument in writing, duly executed and recorded among the Land Records.

1.16. Village Board shall mean the governing body of the Village as established pursuant to this Declaration and the articles of incorporation and bylaws for the Village.

## ARTICLE II ARCHITECTURAL CONTROL

2.1. Scope. Except as otherwise provided in this Declaration, there shall be no excavation, construction, building, landscaping, development or other improvements in the Village, including any change or alteration or exterior addition to any Improvements situated within the Village without compliance with this Article. The Zoning Regulations of Baltimore County (hereinafter the "Zoning Regulations") as the same may be amended from time to time, shall in all cases preempt and supersede any inconsistent provisions of this Declaration. Accordingly, the provisions of the Zoning Regulations are incorporated herein by reference, and this Declaration shall be subject to the operation and effect of the Zoning Regulations.

2.2. Exemptions. The following exemptions are hereby granted.

2.2.1. Declarant Exemption. Any building, structure, Improvement, grading, fence, wall or landscaping erected or installed by the Declarants anywhere in The Villages of Winterset or any personal property or fixture which is annexed thereto shall not be subject to the provisions of this Article.

2.2.2. Builder Exemption. A Builder shall be exempt from the provisions of this Article if the Improvements proposed to be constructed by said Builder have been approved in writing by Declarants.

2.3. Administration. The Village of Section 1B Architectural Standards Committee referred to herein and in the succeeding sections of this Declaration (the "Architectural Standards Committee") shall have all the rights, powers and duties granted to it by the Declarants pursuant to this Declaration or delegated by the Community Association. The Architectural Standards Committee shall initially be composed of the following members: T. Kevin Carney, Robert C. Goodier and Alan H. Stackman, each of whom shall act and serve for a term of three (3) years from the date hereof, and thereafter until his or her successor shall be duly appointed. At any time after the expiration of the Development Period (as hereinafter defined in Article IV) the then Village Board shall have the power, upon a majority vote of the Village Board, to appoint new members to, or otherwise change the membership of, the Architectural Standards Committee, so long as the Architectural Standards Committee shall at all times be comprised of three (3) members. In the event of death or resignation of any member of the Architectural Standards Committee during the Development Period, the Declarants shall have the sole right and authority to appoint a successor by a duly executed instrument filed with the Association, designating the name and address of such successor. Declarants may relinquish to the Association their right to designate any successor



member of the Architectural Standards Committee prior to the expiration of the Development Period, in the sole discretion of Declarants. At any time, or from time to time, during the Development Period, the initial members of the Architectural Standards Committee may be replaced for any reason with other individuals selected by the Declarants in their sole discretion. All questions shall be decided by a majority of the members of the Architectural Standards Committee, and such majority shall be necessary and sufficient to act in each instance and on all matters. Each member of the Architectural Standards Committee, now or hereafter appointed, shall act without compensation for services performed pursuant to this Declaration.

**2.4. Duties.** It shall be the duty of the Architectural Standards Committee to consider and act upon such proposals or plans submitted to it pursuant to the terms hereof, to administer any Architectural Standards promulgated by the Village Board or The Board of Directors of the Community Association (the "Community Board"), to perform other duties delegated to it by the Village or Community Association and to ensure that any Improvements constructed within the Village of Section 1B conforms to plans approved by the Architectural Standards Committee. The Architectural Standards Committee may establish reasonable rules for the submission of plans and specifications including, without limitation, the number of sets of plans to be submitted; and may assess a fee, not in excess of One Hundred Dollars (\$100.00) in connection with the review of plans. The Architectural Standards Committee, in its own name or on behalf of the Village or Community Association, may exercise all available legal and equitable remedies to prevent or remove any unauthorized and unapproved construction of Improvements within The Villages of Winterset or any portion thereof. Notwithstanding the foregoing, the Architectural Standards Committee may delegate its plan review responsibilities to one or more members of the Architectural Standards Committee. Any such delegation must be made in writing and filed with the Community Board and the Village of Winterset Section 1B Homeowners Association, Inc. (the "Village Association") respectively. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Architectural Standards Committee. Unless any such rules regarding submission of plans are complied with, such plans and specifications shall be deemed not submitted.

**2.5. Address.** The address of the Architectural Standards Committee shall be the principal office of the Village Association or any other place as may be designated by the Village Board pursuant to the Village Bylaws, as may be amended from time to time, which are attached hereto as Exhibit C. Such address shall be the place for the submittal of plans and specifications and the place where the current Architectural Standards, if any, shall be kept.

**2.6. Effect of Architectural Standards Committee.** The establishment of an Architectural Standards Committee and the procedures herein for architectural approval shall not be construed as changing any rights or restrictions upon Owners to maintain, repair, alter, modify or otherwise have control over the Owner's respective Lot(s) and the Dwelling(s) and other Improvements situated thereon, as may otherwise be specified in this Declaration, the Village Bylaws or any Village Association Rules.

**2.7. Meetings.** The Architectural Standards Committee shall meet from time to time as necessary to properly perform its duties hereunder. Unless otherwise provided for herein, the vote or written consent of a majority of the members of an Architectural Standards Committee shall constitute an act by such Architectural Standards Committee unless the unanimous decisions of its members is otherwise required by this Declaration. The members of the Architectural Standards Committee shall be entitled to reimbursement for reasonable expenses incurred by them in the performance of any Architectural Standards Committee function, but shall otherwise receive no compensation for services rendered unless agreed to by 75% or more of the Village of Section 1B Voting Power.

**2.8. Approval and Conformity of Plans.** The Village Board shall, from time to time, adopt and promulgate Architectural Standards to be administered through the Architectural Standards Committee. The Architectural Standards shall include, among other things, those restrictions and limitations upon the Owners set forth below.

**2.8.1. Limitation on Improvements.** If the Architectural Standards so provided, no Improvements shall be commenced, erected or maintained upon the Property, nor shall there be any addition to or change in the exterior of any Dwelling, structure or other Improvement, unless plans and specifications therefor have been submitted to and approved by the appropriate Architectural Standards Committee in accordance with the procedures set forth in the Architectural Standards.

2.8.2. Time Limitations. The Architectural Standards may set forth time limitations for the completion of any Improvements for which approval is required pursuant to the Architectural Standards.

2.8.3. Conformity of Plans and Specifications. The Architectural Standards may provide for the conformity of completed Improvements to plans and specifications approved by the Architectural Standards Committee and to the Architectural Standards; provided, however, unless notice of noncompletion or noncompliance identifying the violating Lot and its Owner and specifying the reason for the notice executed by the appropriate Architectural Standards Committee, shall be filed of record and given to such Owner within sixty (60) days after the expiration of the time limitations established pursuant to Subsection 2.8.2 above or unless legal proceedings shall have been instituted to enforce compliance or completion within said sixty (60) day period, the completed Improvements approved by the Architectural Standards Committee shall be deemed to be in compliance with the Architectural Standards of the Association.

2.8.4. Other Limitations. The Architectural Standards may include such other limitations and restrictions as the Community Board in its reasonable discretion shall adopt including, without limitation, regulations of the following: construction, reconstruction, exterior addition, change or alteration to or the maintenance of any building, structure, wall or fence, including, without limitation, the nature, kind, shape, height, materials, exterior color and surface and location of any dwelling, structure or other Improvements of any kind.

2.9. Time Period for Review of Plans and Specifications. If the Architectural Standards Committee fails to approve or disapprove such plans and specifications within sixty (60) days after the same have been duly submitted in accordance with any rules regarding such submission adopted by such Architectural Standards Committee, the Owner requesting said approval may submit a written notice to the Architectural Standards Committee advising the Architectural Standards Committee of its failure to act. If the Architectural Standards Committee fails to approve or disapprove any such plans and specifications within thirty (30) days after the receipt of said notice from such Owner, said plans shall be deemed approved.

2.10. Appeal. The decision of the Architectural Standards Committee or designee is final, binding and non-appealable. There shall be no right to appeal such a decision to the Village Association or Community Association.

2.11. Waiver. The approval by the Architectural Standards Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Standards Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

2.12. Estoppel Certificate. Within forty-five (45) days after written demand is delivered to the Architectural Standards Committee by any Owner, and upon payment to the Community Association of a reasonable fee (as fixed from time to time by the Community Association), the Architectural Standards Committee shall provide an estoppel certificate, executed by any two (2) of its members, certifying (with respect to any Lot of said Owner) that as of the date thereof either: (a) all Improvements made and other work done upon or within said Lot comply with the provisions of this Article 2, or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the non-complying Improvements or work and set forth with particularity the basis of such noncompliance. Any purchaser from the Owner, or from anyone deriving any interest in said Lot through him, shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Community Association, Declarant and all Owners and such persons deriving any interest through them.

2.13. Liability. Neither the Architectural Standards Committee nor any member thereof shall be liable to the Community Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether pursuant to approved plans, drawings, and specifications, (c) the development of any property within The Villages of Winterset, or (d) the execution and filing of an estoppel certificate pursuant to Section 2.12 above, whether or not the facts therein are correct, provided that such member has acted in good faith on the basis of such information as may be possessed by him. Any plans and specifications submitted to the Architectural Standards Committee are not approved by the Architectural Standards Committee for architectural or engineering design, and by approving such



plans and specifications neither the Architectural Standards Committee, the members thereof, the Village Association, the Village Board nor the Declarant assumes liability therefor or for any defect in any structure constructed from such plans and specifications, without in any way limiting the generality of the foregoing, the Architectural Standards Committee, or any member thereof, may, but is not required to consult with or hear the views of any member of the Community Association with respect to any plans, drawings, specifications or any other proposal submitted to the Architectural Standards Committee.

2.14. Governmental Requirements. The application to and the review and approval by the Architectural Standards Committee of any proposals, plans or other submittals shall in no way be deemed to be in satisfaction of or in compliance with any zoning, building permit process or any other governmental requirements, the responsibility for which shall be solely with the respective Owner.

### ARTICLE III USE RESTRICTIONS FOR THE VILLAGE OF WINTERSET SECTION 1B

3.1. Village Restrictions. There shall be no amendment of the provisions of this Declaration except with written consent of the Community Board. The Village Restrictions shall be established by the Builder of the Village prior to the sale of the first Lot in the Village and shall be subject to review and approval by Declarant to assure consistency and compatibility with the standards and procedures of this Declaration and the Declaration of the Villages of Winterset. The Community Association shall expressly be made a third party beneficiary to this Village Declaration. The Community Association shall have the right to enforce any provisions of this Village Declaration, to the extent that the Community Association deems it necessary to protect the overall interest in The Villages of Winterset. The Community Association shall not, however, in any event, be considered as having a duty or obligation to enforce any particular provision of this Village Declaration.

3.2. Permitted Uses and Limitations. The following use restrictions shall apply in the Village.

3.2.1. Residential Use. All Lots, except Common Area Lots and Village Common Area Lots shall be known and described as Residential Lots and shall be used for no purpose other than residential purposes except that the following uses shall be permitted as defined and restricted in the Baltimore County Zoning Regulations subject to approval by the Architectural Standards Committee: (1) private residence for a home occupation; and (2) accessory retail and service uses. Subject to the provisions of the Section of this Article entitled "No Subdivision of Lots", no building shall be erected, altered, placed or permitted to remain on any Lot other than a building used as a Dwelling or used in conjunction with a Dwelling, including, but not limited to, any buildings adjacent to the Dwelling for use as a garage. Except that a leasing and/or sales office may be maintained by the Declarant or any Builder.

3.2.2. No Commercial Use. The Property shall not be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such nonresidential purposes provided, however, that the Community Association shall have the right to provide or authorize such services on the Community Common Area as it deems appropriate for the use of the Community Common Area and the benefit of the Owners; and provided, further that a leasing and/or sales office may be maintained by the Declarant or any Builder.

3.2.3. Rental of Dwelling. An Owner shall be entitled to rent the Dwelling situated on the Owner's Lot, subject to the restrictions contained in this Declaration, including, but not limited to, Subsection 3.2.1. Any rental or leasing agreement shall be in writing, shall be made only to natural persons who actually reside in the Dwelling, shall provide that the lease or rental is subject to this Declaration, the Community Declaration, the Community Bylaws, Community Articles, the Community Association Rules, the Village Bylaws, the Village Articles, and the Village Rules, and shall provide that any failure to comply with any provisions thereof shall be a default under the terms of the rental or lease agreement. No Owner may lease such Owner's Lot or Improvements thereon for hotel, motel or transient purposes. Any lease which is either for a period of fewer than thirty (30) days or pursuant to which the lessor provides any services normally associated with a hotel, shall be deemed to be for transient or hotel purposes. Any Owner who shall lease his or her Dwelling shall be responsible for assuring compliance by such Owner's lessee with the aforementioned documents provided, however, the obligation of the foregoing sentence shall not apply to Declarant if Declarant leases a Lot for a term of twenty (20) years or more and such lease is recorded. A copy of the lease shall be forwarded to the Village Association within 30 days of the tenant's occupancy.

3.2.4. Signs. No sign or billboard of any kind shall be displayed to the public view on any Lot or Village Common Area with the following exceptions:

- (a) signs as may be required by legal proceedings, or the prohibition of which is precluded by law;
- (b) signs as may be used by Declarant or its sales agents in connection with the development of the Village and the sale and marketing of the Lots;
- (c) signs on the Village Common Area which Declarant deems necessary for the construction of any Improvements and identification signs regarding financing and construction;
- (d) signs on the Village Common Area as may be required for traffic control and regulation of open areas within the Village; and
- (e) identification signs on the Village Common Area as may be deemed appropriate by the Village Board to designate facilities within the Village.
- (f) identification and directional signs placed by Village Owner or Village Association on the Village, subject to approval of the Architectural Standards Committee.

Notwithstanding the foregoing, Declarant shall not place any signs on the Village Common Area which substantially interfere with the Owners' use and enjoyment of the Village Common Area. Declarant may permit Builders to place such signs on the Village Common Area, as provided for herein, for the same purpose as Declarant deems appropriate, provided such signs have been approved by Declarant. Declarant's rights to so establish signs shall be exercised for a reasonable period of time in conjunction with Declarant's and the Builder's development of the Property, and shall be subject to the approval of the Village Board as of ten (10) years from the date hereof. Notwithstanding the foregoing, in accordance with the provisions of law, an Owner may display on his Lot not more than one "for sale" or "for lease" sign per Lot so long as such sign shall comply with any reasonable standards promulgated by the Village Board or Architectural Standards Committee as to the size, color, shape or other qualifications for permitted signs. The provisions and limitations of this subsection shall not apply to any institutional first Mortgagee of any Lot who comes into possession of the Lot by reason of any proceeding, arrangement, assignment or deed in lieu of foreclosure.

3.2.5. Nuisance, Hazards and Waste. No noxious or unreasonably offensive trades or activities shall be carried on upon any Lot or Village Common Area or any part of the Village and nothing shall be done thereon which may be, or may become a nuisance, disturbance or unreasonable embarrassment to the Village, or which shall unreasonably interfere with the use of each of the Owners of his respective Dwelling or which shall, in any way, increase the rate of insurance, or which constitutes a violation of any law, ordinance or regulation, now or hereafter in effect, imposed by any governmental entity having jurisdiction over the Property. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such properly maintained and operated devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other Structure constructed upon any Lot. No snowmobiles, go-carts, motorbikes, trail bikes, other loud engine recreational vehicles or skateboard ramps shall be run or operated upon any Lot or upon any roadways serving the Property. No hazardous, toxic or contaminated materials which are regulated by any federal, state or local agency shall be stored, placed or used on the Property. Within ten (10) days of receipt of written notice from the Association specifying any item which creates such an insurance hazard or constitutes such nuisance, hazard or waste, the Owner shall cause such item to be removed at such Owner's sole cost and expense. If such item is not timely removed, the Association may enter upon such Lot or Village Common Area, remove or cause to be removed such item and assess the Owner or Association the amount of all costs and expenses therefor.

3.2.6. Temporary Structures. No Structure of a temporary character, including, trailer, mobile home, tent, shack, shed, garage, other outbuildings, etc. shall be kept upon any Lot or Village Common Area or in any street within the Village, except in connection with work, sales and marketing of Lots or the Village or construction diligently pursued, unless the same shall be approved by the Architectural Standards Committee.

3.2.7. Play/Athletic Equipment. No play or athletic equipment including portable basketball nets, swingsets, play houses, children's play equipment, volleyball nets, horseshoe courts,

etc. shall be kept upon any Lot, unless stored daily within a residence, garage or other approved structure or approved by the Architectural Standards Committee.

**3.2.8. Outdoor Decorative Items/Lawn Furniture.** No windchimes, bird feeders, birdbaths, birdhouses, statues, ornamental structures, etc. shall be kept upon any Lot, approved by the Architectural Standards Committee. Lawn furniture is allowed only on accordance with the requirements/guidelines of the Architectural Standards Committee.

**3.2.9. Vehicles.** Other than private passenger vehicles, vans, trucks or permitted commercial vehicles in regular operation, no other motor vehicles, house trailer, trailer, boat, or inoperable, unlicensed, junk or junked cars or other similar machinery or equipment of any kind or nature (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any Lot) shall be kept on the Property. For the purpose hereof, a vehicle shall be deemed inoperable unless it is licensed, contains all parts and equipment, including properly inflated tires, and is in such good condition and repair as may be necessary for any person to drive the same on a public highway. Automobile repairs or maintenance which require the dismantling of the vehicle or which will take more than 48 hours to complete, other than routine oil changes or tire repair or changes, are strictly prohibited. Disposal of motor oil shall be accomplished in accordance with all applicable governmental regulations. The foregoing restriction shall not be deemed to prevent temporary parking for washing and polishing and those activities normally incident to washing and polishing of vehicles. No commercial vehicles, as defined by the Baltimore County Code, over 3/4 ton rated capacity ("Commercial Vehicles") shall be left parked on any part of the Property, including, without limitation, any street or Lot, longer than is necessary to perform the business function of such vehicle in the area; it being the express intention of this restriction to prevent the parking of Commercial Vehicles upon the Property, including, without limitation, the streets of Lots in the Village, for a time greater than that which is necessary to accomplish the aforesaid business purpose. However, during construction of dwellings, the Declarant and the Builder may maintain Commercial Vehicles and trailers on the Lots or Property for purposes of construction, and for use as a field or sales office. Commercial Vehicles, trailers, boats, buses, campers or tractors shall not be parked upon any streets or Village Common Areas, except in areas, if any, specifically designated by the Architectural Standards Committee for such parking.

**3.2.10. Animals.** No animals, livestock, or poultry of any kind, including pigeons, shall be raised, bred or kept on any Lot, except that dogs, cats or any household pets, not exceeding two (2) in the aggregate, may be kept as hereinafter provided. Said dogs, cats, and household pets shall (a) not be kept, bred or maintained for any commercial purpose, (b) be kept so as to avoid becoming a nuisance to the neighborhood or to any adjoining property owners, (c) not roam unattended on the Property, and (d) be kept in accordance with all Baltimore County Animal Control laws. Household pets shall not include miniature pigs, horses or other hybrid livestock or farm animals. Notwithstanding the foregoing, no animals or fowl may be kept on the Lots which, in the good faith judgment of the Village Board, or a committee selected by the Village Board for this purpose, result in an unreasonable annoyance or are obnoxious to residents in The Villages of Winterset. No pet or other animal shall be permitted on the Village Common Area except as allowed by the Village Association Rules. The Owner of any pet or animal shall be responsible for the immediate removal and clean-up of such animal's waste in the Village Common Area. The Owner of any pet or animal shall at no times allow such animal to run unrestrained on Village Common Area or the streets, sidewalks or pathway areas of The Villages of Winterset and the Owner of such pets shall at all times have full and complete control over such animal. The Village Board shall have the right, after notice and hearing, to remove animals from the Village Common Area which it finds constitute a continuing unreasonable nuisance to Owners.

**3.2.11. Neat Appearance.** Owners shall, at all times, maintain their Lots and all appurtenances thereto in good repair and in a state of neat appearance, including but not limited to, the seeding, watering and mowing of all lawns and yards, keeping all sidewalks, if any, neat, clean and in good repair, and free of ice and snow, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all structures on the Lot, all in a manner and with such frequency as is consistent with good property management and maintenance. All weeds, rubbish, debris, or unsightly materials or objects of any kind shall be regularly removed from the Lots and shall not be allowed to accumulate thereon. No oil or other refuse shall be allowed to enter storm drains. No lumber, metals, bulk materials, etc. shall be kept, stored or allowed to accumulate on any Lot, except (i) building material during the course of construction of any approved dwelling or other permitted Structure, and (ii) firewood, which shall be cut and neatly stored at least six (6) inches off the ground and twelve (12) inches away from any wooden structure. No burning of trash shall be permitted on any Lot. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open on any day (or prior evening) that a pick-up is to be made at such place on the Lot as to provide access to persons making such pick-up. All refuse containers, woodpiles, storage areas, machinery and equipment shall

be prohibited upon any Lot unless obscured from view of adjoining streets, Lots, alleys or Village Common Area nearest such portion of the Lot from a height of six (6) feet or less and shall comply with any restrictions or standards promulgated by the Village Board or the Architectural Standards Committee. If, in the opinion of the Architectural Standards Committee, any Record Owner fails to perform the duties imposed hereunder, the Association, on affirmative action of a majority of the Board of Directors, after fifteen (15) days written notice to such Record Owner to remedy the condition in question, and upon failure of the Record Owner to remedy the condition in question, shall have the right (but not the obligation), through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint and restore the Lot and the improvements or Structures thereon, and the cost thereof shall be a binding, personal obligation of such Record Owner, as an additional assessment on the Lot.

3.2.12. Antennae. No television, radio, satellite dish, citizens band radio or other broadcasting or receiving apparatus shall be permitted upon any Lot, the Property, or upon any of the buildings constructed on any portion of the Property; except that if installed or approved by Declarant or Village Board, a community cable television or radio system or other similar equipment for the purpose of emitting or receiving or distributing any form of radio, micro-wave or electromagnetic emission shall be permitted on the Property.

3.2.13. Swimming Pools. No swimming pools, whether "in ground", "above ground" or other type, shall be permitted on any Lot, except that temporary children's pools less than 2 feet in depth and 10 feet in diameter shall be permitted so long as the same are stored daily within a residence, garage or other approved structure, unless approved by the Architectural Standards Committee.

3.2.14. Drainage. All drainage of water from any Lot or Village Common Area and the Improvements thereon shall drain or flow as set forth below.

(a) Any such water may drain or flow into adjacent streets or alleys and shall not be allowed to drain or flow upon, across, or under adjoining Lots, or Village Common Area unless an easement for such purpose is granted.

(b) All slopes or terraces on any Lot or Village Common Area shall be maintained so as to prevent any erosion thereof upon adjacent streets or adjoining property.

3.2.15. Garages. No garage doors shall be permitted to remain open except for a temporary purpose, and the Community Board may adopt rules for the regulation of the opening of garage doors, including the assessment of charges to Owners who violate such rules.

3.2.16. Driveways/Parking. No driveways or parking areas, other than those originally installed by the Builder, shall be permitted on any Lot in the Village unless approved by the Architectural Standards Committee. Ownership of each Lot shall entitle the owner or owners thereof to the use of not more than two (2) parking space in the Village Common Area. The Village Association reserves the right to permanently assign one (1) parking space for each Lot and enforce restricted parking.

3.2.17. Exterior Materials. All primary exterior materials of any Structure constructed on a Lot shall be in material approved by the Architectural Standards Committee.

3.2.18. Clothes Lines. No exterior clothes dryer, clothes pole or similar equipment shall be erected, installed or maintained on any Lot, nor shall articles of clothing, bedding, etc. be hung outside any Structure, unless approved by the Architectural Standards Committee.

3.2.19. Traffic View. No Structure, landscaping, shrubbery or any other obstruction shall be placed on any Lot so as to block the clear view of traffic on any streets, nor shall any planting be done on any corner Lots that will exceed three (3) feet in height (except shade trees which shall be trimmed so that a clear view may be maintained to the height of eight (8) feet) closer than (20) twenty feet from either street line.

3.2.20. Front Lawn. The area within the front of a dwelling shall be kept only as a lawn for ornamental or decorative planting of grass, trees and shrubbery unless approved by the Architectural Standards Committee.

3.2.21. Fences and Walls. No fence, wall or other similar enclosure may, be built on any Lot, except a rear yard fence which fence shall not extend forward of the rear foundation wall, shall not exceed six (6) feet in height, shall not infringe on easement areas on Lots, and shall not impede surface drainage. The height restriction shall apply to enclosures of patios, open



gardens, privacy screens or work area screens, but shall not apply to retaining walls required by topography, where such enclosures are approved in advance by the Architectural Standards Committee; provided they do not extend beyond the minimum building lines to any Lot line, and provided that they are located to the rear of the front face of the Structure. Under no circumstances, however, may such enclosures exceed a height of six (6) feet. All fences and walls (except such fences and walls as may be installed and/or constructed by Builder simultaneously with the initial construction of a dwelling on a Lot by Builder) must receive the prior written approval of the Architectural Standards Committee. Any such fence or wall shall be decorative in character i.e. board on board, and not of chain link or other metal fabrication. The foregoing restriction shall not be construed to prohibit the growth of an ornamental hedge fence, which shall be kept neatly trimmed, and shall be trimmed to a height of not more than three (3) feet in the front yard of any Lot and the side yard of corner Lots.

3.2.22. Lighting and Wiring. The exterior lighting on Lots shall be directed downward and shall not be directed outward from, or extend beyond, the boundaries of any Lot. All wiring on any Lot shall be underground. Exterior lighting, including landscaping accent lighting, which is in addition to lighting installed at the time of original construction at an approved structure is prohibited, unless approved by the Architectural Standards Committee.

3.2.23. No Obstructions. There shall be no obstruction of any Village Common Area except as permitted herein or as provided by the Village Association Rules. Nothing shall be placed or stored in the Village Common Area, except as allowed by the express permission of the Village Board.

3.2.24. Compliance With Laws, Etc. No Owner shall permit anything to be done or kept in a Lot that violates any laws, ordinances, statutes, rules or regulations of any county, state or federal body.

3.2.25. Fires. There shall be no exterior fires on the Village Common Area or on Lots, except barbecue fires contained within grills maintained by the Owners on Lots or in receptacles provided by the Community Association or Village Association. There shall be no permanent outdoor cooking grills or outdoor fireplace on any Lot unless approved by the Architectural Standards Committee.

3.2.26. No Subdivision of Lots. No Lot shall be further subdivided nor shall less than all of any such Lot be conveyed by an Owner thereof, provided, however, this shall not prohibit transfers of parts of Lots between adjoining Lot Owners where the transfer is not for the purpose of creating a new building Lot. The provisions of this subsection shall not apply to the Declarant and Builder, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, the Declarant or any other person for any purpose. The restriction set forth in this Subsection shall not apply the Owner of Apartment Property.

3.2.27. Forest Buffer Area. Any portion of the Common Area or Lots designated and shown on any recorded subdivision plat of all or a portion of the Property as "Forest Buffer" shall remain in a natural, undisturbed state and will not be developed, nor shall improvements be erected thereupon by the Declarant, their successors or assigns, the Association, or any Record Owner, except those of a minor nature necessary for such intended use and permitted by applicable law.

3.2.28. Non-interference with Utilities. No Structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any drainage channels. No poles and wires for the transmission of electricity, telephone and the like shall be placed or maintained above the surface of the ground on any Lot.

3.2.29. No Hunting. No hunting or discharge of firearms or weapons of any nature whatsoever shall be permitted on the Property or any Lot.

3.2.30. No Excavation. No excavation shall be made on any Lot except for the purpose of building thereon at the time when the building operations are commenced, and no earth or sand shall be removed from any Lot except as a part of such operations.

3.2.31. Tree Removal. No Record Owner shall have the right to remove any of the healthy growing trees located on any of the Lots within the subdivision except upon Architectural Standards Committee approval.

3.2.32. Party Walls.

(a) Each wall which is built as a part of the original construction of the dwellings upon the Lots and placed upon the dividing line between the Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) The cost of reasonable repair and maintenance of a party wall shall be shared by the Record Owners who make use of the wall in proportion to such use.

(c) If a party wall is destroyed or damaged by fire or other casualty, any Record Owner who has used the wall may restore it, and if the other Record Owner(s) thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Record Owner(s) to call for a larger contribution from the other(s) under any rule of law regarding liability for negligence or willful acts or omissions.

(d) Notwithstanding any other provision of this section, any Record Owner who by its negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) The right of any Record Owner to contribution from any other Record Owner under this Section shall be appurtenant to the land and shall pass to each Record Owner's successors in title.

(f) In the event of any dispute arising concerning a party wall, or under the provisions of this Section, each party shall choose one (1) arbitrator, and such arbitrators shall jointly choose one (1) additional arbitrator, and the decision shall be by the majority of the three (3) arbitrators.

(g) Rules applicable to party walls shall also be applicable to the party fences.

3.2.33. Family Day Care. No Lot nor any of the roads, sidewalks or other Common Area may be used for the establishment and operation of a "Family Day Care Home," as such term is defined in Section 11B-111.1 of the Real Property Article of the Annotated Code of Maryland, as amended from time to time (the "Code"). Notwithstanding the foregoing, the prohibition against the use of a Lot as a Family Day Care Home may be eliminated by the affirmative vote of Record Owners having at least fifty-one percent (51%) of the total number of votes then held by all of the Record Owners, in the manner provided in the Bylaws of the Association. In the event the Association approves the use of a Family Day Care Home as hereinabove provided:

(a) the number of Family Day Care Homes operating in the Village shall not exceed seven and one half percent (7.5%) of the total number of Lots in the Village;

(b) in order to assure compliance with subparagraph (i) above, each Family Day Care Home shall register with the Association before opening a Family Day Care Home;

(c) the "Day Care Providers" (as such term is defined in Section 11B-111.1 of the Code) shall pay on a pro rata basis based on the total number of Family Day Care Homes operating in the Village, any increase in insurance costs of the Association that are solely and directly attributable to the operation of the Family Day Care Home therein;

(d) each Family Day Care Home which is registered and operating in the Association shall pay to the Association an annual fee for the use of the Common Area in an amount not to exceed fifty dollars (\$50.00); and (v) each Family Day Care Home and Day Care Provider shall otherwise comply with all of the provisions of Section 11B-111.1 of the Code.

3.2.34. Awnings and Sun Trellises. Awnings and sun trellises are strictly prohibited in the front and side yards of any Lot and are subject to approval by the Architectural Standards Committee where the same are proposed for rear yards.

3.2.35. Storm Water Facility Maintenance. Upon completion and acceptance of storm water management facilities on the Property, if any, the Association shall be responsible for the maintenance of such facilities in accordance with the rules and regulations of Baltimore County.

3.2.36. Baltimore County Access Easement. The duly authorized employees and representatives of Baltimore County shall have the right to enter upon the Property for the purpose of performing necessary inspection, maintenance and repair to any completed storm water

management facility, when such maintenance or repair is not satisfactorily completed by the Association within a reasonable time, and to assess the Association for the costs thereof.

3.2.37. Real Estate Sales or Construction Office. Notwithstanding anything contained herein to the contrary, a real estate sales or construction office or a trailer, with signs, may be erected, maintained and operated on any Lot, or in any Structure now or hereafter located thereon, provided such office or trailer, and signs, are used and operated only in connection with the development and/or initial sale of any Lot or Lots, and/or the initial construction of improvements on any Lot now or hereafter laid out or created in the Village. Nothing herein, however, shall be construed to permit any real estate sales or construction office, trailer, or sign after such initial development, sales, and/or construction is completed. Except as expressly permitted hereinabove, neither any part of any Lot, nor any improvement now or hereafter erected on any Lot, shall be used for any real estate sales or construction office or trailer, nor shall any sign used in conjunction with such uses be erected without prior written approval of the Architectural Standards Committee.

3.2.38. Exemption. The provisions of this Article III shall not be binding upon the Declarant or Builder or their activities upon the Property. Without limiting the generality of the foregoing, the Architectural Standards Committee shall have no authority to review or approve any Structure constructed, alterations performed or maintenance performed or omitted by Declarant or Builder on any Lot.

3.3. Easements. There are hereby established easements over, under and through each Lot and the Community Common Area and Village Common Area, which easements are described in the Article hereof entitled "Declarants Reserved Rights and Obligations".

#### ARTICLE IV PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS THERETO

4.1. Existing Property. The real property which is, and shall be, transferred, held, sold, conveyed and occupied subject to this Declaration is located in the Village, and is described on Exhibits A attached hereto, all of which real property is referred to herein as the "Existing Property".

4.2. Additions to Existing Property. The Declarants, their successors and assigns, shall have the right for ten (10) years from the date hereof to bring within the scheme of this Declaration, and to annex to the Village, additional property consisting of the land on the Plat and being (the "Additional Property") more particularly described on Exhibit B. The general plan of development is shown on the Plat, but such plan shall not bind the Declarants, their successors or assigns, to annex all or any part of the Additional Property to the Village, or to adhere to the plan in any subsequent development of the land shown on the Plat.

Additional residential property and Village Common Area may be annexed to the Village with consent of at least two-thirds (2/3) of each class of members.

The additions authorized under this subsection shall be made by filing among the Land Records one or more amendments to this Declaration with respect to the Additional Property, or any part thereof, which shall extend the scheme of this Declaration to such Additional Property, and which Additional Property shall thereupon become part of the Village. Upon the filing of any amendment to this Declaration, Record Owners of Additional Property shall be subject to the same obligations and entitled to the same privileges as applied to the Record Owners of the Existing Property. The additions authorized under this Section 4.2 may be undertaken from time to time in any one or more amendments, but all additions must be completed within ten (10) years from the date hereof. Such amendments may contain such complementary additions and modifications to this Declaration as may be necessary to reflect the different character, if any, of the Additional Property not inconsistent with the scheme of this Declaration. In no event, however, shall such amendment revoke, modify or add to the Covenants established by this Declaration for the Existing Property as of the date hereof.

Notwithstanding anything to the contrary contained herein, during the Development Period, annexation of Additional Property shall require, if applicable, the prior approval of the United States Department of Housing and Urban Development, Federal Housing Administration, and/or the United States Veterans' Administration ("HUD/FHA/VA").

4.3. De-Annexation. Declarants have the right for ten (10) years from the date hereof to delete all or any portion of the annexed land from the coverage of this Declaration and rescind any supplementary declaration, provided Declarants are the sole beneficial Owners of all of the real

property described in the supplementary declaration to be rescinded. Such deletion shall be effective upon the recordation of a "Notice of Deletion of Territory," signed by Declarants.

**ARTICLE V**  
**MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION**

5.1. **Membership.** Every Record Owner of a Lot shall become and be a member of, and shall have voting rights in, the Association. Membership and voting rights in the Association shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

5.2. **Classes of Membership.**

5.2.1. The Association shall have two (2) classes of voting membership;

5.2.1.1. **Class A.** Except for the Declarants and the Builder, which shall initially be Class B members, the Class A members shall be all Record Owners holding title to one (1) or more Lots; provided, however, that any Mortgagee or any other person or entity who holds such interest solely as security for performance of an obligation shall not be a Class A member solely on account of such interest. Each Class A member shall be entitled to one (1) vote per Lot, for each Lot owned by it, in all proceedings in which action shall be taken by members of the Association.

5.2.1.2. **Class B.** The Class B member(s) shall be the Declarants and the Builder. The Class B member(s) shall be entitled to three (3) votes per Lot for each Lot owned by it, in all proceedings in which actions shall be taken by members of the Association.

5.2.2. Notwithstanding anything in this Declaration to the contrary, the Builder shall be conclusively presumed, by its having accepted the conveyance from Declarants of the legal title to a Lot:

5.2.2.1. to have given the Declarants an irrevocable and exclusive proxy entitling the Declarants, at each meeting of the Membership held while such Builder holds such title, to cast the votes in the Association's affairs which such Builder holds under the foregoing provisions of this Section on each question which come before such meeting;

5.2.2.2. to have agreed with the Declarants that such proxy is given to and relied upon by the Declarants in connection with the Declarant's development, construction, marketing, sale and leasing of any or all of the Property and is coupled with an interest; and

5.2.2.3. such proxy shall cease with respect to the votes appurtenant to a Lot when dwelling has been constructed on such Lot and legal title to such Lot is conveyed to a person who intends to occupy or lease such dwelling as a residence.

5.2.3. If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, holds the record title to any Lot, all of the same, as a unit, and not otherwise, shall be deemed a single member of the Association. The vote of any member comprised of two (2) or more persons, firms, corporations, trustees, or other legal entities, or any other combination thereof, shall be cast in the manner provided for in the Articles of Incorporation and/or Bylaws of the Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per Lot for each Lot owned by them.

5.3. **Conversion.** The Class B membership in the Association shall exist from the date hereof to the earlier to occur of (i) ten (10) years from the date hereof; or (ii) 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(s) of the Association (the "Development Period"). Upon the expiration of the Development Period, the Class B membership shall cease and be converted to Class A membership in the Association. The Declarants (and the Builder) shall thereafter remain a Class A member of the Association as to each and every Lot from time to time subject to the terms and provisions of this Declaration in which the Declarants (or the Builder) then holds the interest otherwise required for Class A membership. Notwithstanding the foregoing, the Development Period shall not cease and the Class B membership shall not convert to Class A membership as a result of the total number of Class A votes equalling or exceeding the total number of Class B votes if, by annexing Additional Property to the Village, the Declarants may increase the Class B votes to a number in excess of the Class A votes.



**ARTICLE VI**  
**DECLARANTS RESERVED RIGHTS AND OBLIGATIONS**

6.1. **Reserved Rights of Declarants.** The Association shall hold the Village Common Area conveyed to it by Declarants pursuant to Article VII hereof, and the Record Owners shall hold their respective Lots, subject to the following:

6.1.1. The reservation to Declarants, their successors and assigns, of nonexclusive easements and rights of way over those strips or parcels of land designated or to be designated on the Plat as "Drainage and Utility Easement", "Sewer Easement", "Drainage and Sewage Easement", "Local Open Space", "Forest Buffer Area" or "Easement" and "HOA Open Space" "HOA Area", etc. or otherwise designated as an easement area over any road or Village Common Area on the Property, and over ten (10) foot wide strips of land running along the common side lines on the Lots for the purposes of proper surface water drainage, for ingress and egress, for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Property and the Lots therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarants necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located, together with the right and privilege of entering upon the Village Common Areas for such purposes and making openings and excavations thereon, which openings and excavations shall be restored in a reasonable period of time, and for such alterations of the contour of the land as may be necessary or desirable to effect such purposes. Within the aforesaid easement areas, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or change the direction of the flow of drainage channels or obstruct or retard the flow of water through drainage channels. The reserved easement areas of each Lot and all improvements therein, except improvements for which a public authority or utility company is responsible, shall be maintained continuously by the Record Owner of the Lot.

6.1.2. The reservation to Declarants, their successors and assigns, of a non-exclusive easement and right-of-way in, through, over and across the Village Common Area for the purpose of the storage of building supplies and materials, and for all other purposes reasonably related to the completion of construction and development of the project and the provision of utility services, and related services and facilities.

6.1.3. The designation of streets, avenues, roads, courts and places upon the plat is for the purpose of description only and not dedication, and the rights of the Declarants in and to the same are specifically reserved, and the Declarants hereby reserves unto themselves, their successors and assigns, the right to grade, regrade and improve the streets, avenues, roads, courts, and places as the same may be located on the Plat, including the creation or extension of slopes, banks, or excavation in connection therewith and in the construction of and installation of drainage structures therein. The Declarants further reserves unto themselves, their successors and assigns, the bed, in fee, of all streets, avenues, and public highways in the Village, as shown on the Plat.

6.1.4. The Declarants further reserves unto themselves, their successors and assigns, the right to grant easements, rights-of-way and licenses to any person, individual, corporate body or municipality, to install and maintain pipelines, underground or above-ground lines, with the appurtenances necessary thereto for public utilities, or quasi-public utilities or to grant such other licenses or permits as the Declarants may deem necessary for the improvement of the community in, over, through, upon and across any and all of the roads, streets, avenues, alleys, and open space and in, over, through, upon and across each and every Lot in the easement area set forth in this Declaration or as shown on the Plat.

6.1.5. The Declarants further reserves unto themselves, their successors and assigns, the right to dedicate all of said roads, streets, alleys, rights of way or easements, including easements in the areas designated as "HOA Open Space", "HOA Area", "Local Open Space", or any other area on the Plat not designated as a Lot, to public use. No road, street, avenue, alley, right-of-way, or easement shall be laid out or constructed through or across any Lot or Lots in the Village except as set forth in this Declaration, or as laid down and shown on the Plat, without the prior written approval of the Architectural Standards Committee.

6.1.6. Declarants further reserve unto themselves, their successors and assigns, the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Lot and grade a portion of such Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of any Structure built on such Lot, but Declarant shall not be under any obligation or duty to do such grading or to maintain any slope. Similarly, Declarants reserve the right unto themselves, and their successors and assigns, and, without

limitation, the Association, to enter on any Lot during normal business hours for the purpose of mowing the lawn thereon and trimming such greenery as Declarants (their successors or assigns or the Association) deems appropriate, but no such party shall be under any obligation to do so. No right shall be conferred upon the Record Owner by the recording of any plat relating to the development of the Property in accordance with such plat, Declarants expressly reserving unto themselves the right to make such amendments to any such plat or plats as shall be advisable in its best judgment and as shall be acceptable to public authorities having the right to approval thereof.

6.1.7. Declarants further reserve unto themselves, their successors and assigns, the right, notwithstanding any other provision of this Declaration, to use any and all portions of the Property other than those Lots conveyed to Record Owners, including any Village Common Area which may have previously been conveyed to the Association, for all purposes necessary or appropriate to the full and final completion of construction of the Village. Specifically, none of the provisions of Article II concerning architectural control or use restrictions shall in any way apply to any aspect of the Builder's activities or construction, and notwithstanding any provisions of this Declaration, none of the Builder's construction activities or any other activities associated with the development, marketing, construction, sales management or administration of the Village shall be deemed noxious, offensive or a nuisance. The Declarants reserve the right for themselves, their successors and assigns, to store materials, construction debris and trash during the construction period on the Property without keeping same in containers. The Declarants will take reasonable steps, and will ensure that the Builder takes reasonable steps, to avoid unduly interfering with the beneficial use of the Lots by Record Owners.

6.2. Grant of Rights by Declarants. Declarants hereby grants to Builder, its successor and assigns, the rights, for use in common with Declarants, their successor and assigns, reserved by Declarants pursuant to Article VI. Specifically, none of the provisions of Article II concerning architectural control or Article III concerning use restrictions shall in any way apply to any aspect of the Builder's activities or construction, and notwithstanding any provisions of this Declaration, none of the Builder's construction activities or any other activities associated with the development, marketing, construction, sales management or administration of the Village shall be deemed noxious, offensive or a nuisance. The Association shall hold the Common Area, and the Record Owners shall hold their respective Lots, subject to the foregoing rights granted to Builder.

6.3. Incorporation by Reference; Further Assurances. Any and all grants made by Declarants or Builder to the Association or any Record Owner with respect to any of the Village Common Area or any Lots shall be conclusively deemed to incorporate the foregoing reservations and grants, whether or not specifically set forth in such instruments. At the request in writing of Declarants or Builder, the Association and each Record Owner shall from time to time execute, acknowledge and deliver to Declarants or Builder such further assurances of such reservations as may be necessary.

## ARTICLE VII COMMON AREA

7.1. Grant of Common Area. Any Village Common Area has been and/or will be granted and conveyed to the Association free and clear of all encumbrances other than taxes and assessments not yet due and payable and the lien of the Master Declaration (hereinafter defined). The Association shall have and hold the said Village Common Area subject to the reservations set forth in Article V hereof, and to the Covenants herein set forth, all of which are hereby imposed upon the Village Common Area for the benefit of the Declarants, the Builder, the Association, and the Record Owners, and their respective personal representatives, successors and assigns.

7.2. Members Right of Enjoyment. Every Member of the Association shall have a nonexclusive right and easement for the use, benefit and enjoyment, in common with others, in and to the Village Common Area and such nonexclusive right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the restrictions herein set forth. Except as otherwise permitted by the provisions of this Declaration, the Village Common Area shall be retained in its natural state, and no Structure or improvement of any kind shall be erected, placed or maintained thereon. Structures or improvements designed exclusively for community use, shelters, benches, chairs or other seating facilities, fences and walls, walkways, playground equipment, game facilities, swimming pools, drainage and utility structures, grading and planting, may be erected, placed and maintained thereon for the use, comfort and enjoyment of the members of the Association, or the establishment, retention or preservation of the natural growth or topography of the area, or for aesthetic reasons. No portion of the Village Common Area may be used exclusively by any Record Owner or Owners for personal vegetable gardens, storage facilities or other private uses.

7.3. Nuisance. No noxious or offensive activity shall be carried on upon the Village Common Area nor shall anything be done thereon which will become an annoyance or nuisance to the neighborhood.

7.4. Maintenance of Common Area. The Association shall supervise, manage, operate, examine, inspect, care for, repair, replace, restore and maintain the Village Common Area (and may develop and improve same), street trees within the Village and any property shown on the Plat as "HOA Easement", or otherwise indicated thereon as to be maintained by the Association, as from time to time improved, together with any items of personal property placed or installed thereon, all at its own cost and expense, and shall levy against each member of the Association a proportionate share of the aggregate cost and expense required for the care, maintenance and improvement of the Village Common Area, which proportionate share shall be determined based on the ratio which the number of Lots owned by the member bears to the total number of Lots then laid out or established on the Property.

7.5. Restrictions. The right of each member of the Association to use the Village Common Area shall be subject to the following:

7.5.1. any rule or regulation now or hereafter set forth in this Declaration and, further, shall be subject to any rule or regulation now or hereafter adopted by the Association for the care, maintenance, good order, and cleanliness of the Village Common Area;

7.5.2. the right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Village Common Area in a manner designed to promote the enjoyment and welfare of the members, and in aid thereof to mortgage any of the Village Common Area; provided, however, that no such mortgage shall be effective unless two-thirds (2/3) of each class of the then members of the Association consent to such mortgage at any regular meeting of the Members or any special meeting of the Members duly called for such purpose;

7.5.3. the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosure;

7.5.4. the right of the Association to suspend the voting rights and the rights to use of the Village Common Area for any period not to exceed sixty (60) days for any infraction of any of the published rules and regulations of the Association or this Declaration;

7.5.5. the right of the Association to dedicate or transfer all or any part of the Village Common Area to any public or municipal agency, authority or utility for purposes consistent with the purpose of this Declaration and subject to such conditions as may be agreed to by the members; and further subject to the written consent of Baltimore County, Maryland; provided, however, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless two-thirds (2/3) of each class of the then members of the Association consent to such dedication, transfer, purpose and conditions, at any regular meeting of the members or any special meeting of the members duly called for such purpose. Notwithstanding anything to the contrary contained herein, during the Development Period, dedication of Village Common Area shall require prior approval of HUD/FHA/VA, if required thereby;

7.5.6. the right of the Association, acting by and through its Board of Directors, to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency, public utility, the Declarants or any other person; provided, however, that no such license, right-of-way or easement shall be unreasonable and permanently inconsistent with the rights of the members to the use and enjoyment of the Village Common Area.

7.5.7. the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated on the Common Area.

7.5.8. the right of the Association to suspend the right to use the facilities located on the Village Common Area by a member or designee for any period during which any assessment against such Owner's Lot remains unpaid or delinquent.

7.5.9. the right of the Village Association to mortgage, convey or dedicate the Village Common Areas or annex, merge, consolidate or dissolve the Village Association; provided, however, that none of the aforementioned shall be effective unless two-thirds (2/3) of each class of the then members consent.

All of the foregoing shall inure to the benefit of and be enforceable by the Association and the Declarants, or either of them, their respective successors and assigns, against any member of the Association, or any other person, violating or attempting to violate the same, or any thereof, either by action at law for damages or suit in equity to enjoin a breach or violation, or enforce performance of any term, condition, provision, rule or regulation. Further, the Association or the Declarants shall each have the right to abate summarily and remove any such breach or violation by any member at the cost and expense of such member.

7.6. Delegation of Right of Use. Any member of the Association may delegate its rights to the use and enjoyment of the Village Common Area to family members who reside permanently with such member and to its tenants, contract purchasers, invitees and guests, all subject to such reasonable rules and regulations which the Association may adopt and uniformly apply and enforce.

7.7. Rules and Regulations. Each Record Owner shall fully and faithfully comply with the rules, regulations and restrictions applicable to use of the Village Common Area, as such rules, regulations and restrictions are from time to time adopted by the Association for the safety, care, maintenance, good order and cleanliness of the Village Common Area. Further, each Record Owner shall comply with the Covenants imposed by this Declaration on the use and enjoyment of the Village Common Area.

#### ARTICLE VIII ENCROACHMENTS

If any Structure or any part thereof, now or at any time hereafter, encroaches upon an adjoining Lot or any Structure encroaches upon any Village Common Area, whether such encroachment is attributable to construction, settlement or shifting of the Structure or any other reason whatsoever beyond the control of the Board of Directors of the Association or any Record Owner, there shall forthwith arise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, for the benefit of the Record Owner, its heirs, personal representatives, successors and assigns, to provide for the encroachment and nondisturbance of the Structure. Such easement shall remain in full force and effect so long as the encroachment shall continue. The conveyance or other disposition of a Lot shall be deemed to include and convey, or be subject to, any easements, arising under the provisions of this Article without specific or particular reference to such easement.

#### ARTICLE IX COVENANT FOR ASSESSMENT

9.1. Covenant For Assessment. The Declarants, for each Lot now or hereafter owned by them within the Property, hereby covenant and agree to pay to the Village Association during the period of their ownership of any such Lot, and each Record Owner, by acceptance of a deed hereafter conveying any such Lot to it, whether or not so expressed in such deed or other conveyance, shall be deemed to have covenanted and agreed to pay to the Village Association during the period of its ownership of such Lot (i) in advance, an annual assessment equal to the member's proportionate share of the sum required by the Village Association, as estimated by the Board of Directors, for annual assessments or charges, and (ii) special assessments or charges, for capital improvements, such annual and special assessments and charges to be established and collected as hereinafter provided. The annual and special assessments or charges shall be a charge and continuing lien upon each of the Lots against which the assessment is made in accordance with the terms and provisions of the Maryland Contract Lien Act, and this Article VIII shall be construed as a real covenant running with the Land and a contract of a lien under the terms of the said Act. Such assessments or charges, together with interest at a rate of ten percent (10%) per annum, late fees and costs and reasonable attorneys' fees incurred or expended by the Association in the collection thereof, shall also be the personal obligation of the Record Owner holding title to any Lot at the time when the assessment fell due or was payable. The personal obligation for any delinquent assessment or charge, together with interest, costs and reasonable attorneys' fees, however, shall not pass to the Record Owner's successor or successors in title unless expressly assumed by such successor or successors.

9.2. Use of Assessments. The assessments and charges levied by the Village Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Village, and in particular for: (i) maintenance, operation, care, services and facilities related to the use and enjoyment of the Village Common Area, including fees paid to any management agent; (ii) the payment of taxes on the Village Common Area (except to the extent that proportionate shares of such public charges and assessments on the Village Common Area may be levied against all Lots laid out on the Property by the tax collecting authority so that the same is payable directly by the Record Owners thereof, in the same manner as real property taxes are



assessed or assessable against the Lots); (iii) the payment of insurance premiums on the Village Common Area; (iv) the costs of repair replacement and additions to the Village Common Area and improvements thereon; (v) the cost of obtaining, planting and thereafter maintaining street trees throughout the Village as required by Baltimore County, Maryland, whether or not such street trees are located in the Village Common Area; (vi) the costs of utilities and other services which may be provided by the Village Association for the Village as may be approved from time to time by a majority of the members of the Village Association; (vii) the cost of labor, equipment, materials, management and supervision incurred or expended in performing all of the foregoing; and (viii) the cost of funding all reserves established by the Village Association, including a general operating excess and a reserve for replacements.

**9.3. Maximum Annual Assessment.**

(a) Until January 1 of the year immediately following the conveyance of the first Lot to a Record Owner other than the Declarants or the Builder, the maximum annual assessment shall be the aggregate of Ten and 68/100 Dollars (\$10.68) per month for each Lot.

(b) From and after such date, the maximum annual assessment may be increased each year by not more than ten percent (10%) of the maximum annual assessment for the previous year without a vote of the membership of the Village Association.

(c) From and after such date, the maximum annual assessment may be increased above the ten percent (10%) limitation specified in the preceding sentence only by a vote of two-thirds (2/3) of each class of members of the Village Association, voting in person or by proxy, at a meeting duly called for such purpose.

(d) Neither the Declarants, Builder, nor any Lot to which the Declarants or Builder holds record title, shall be exempt from any assessment hereunder, however, notwithstanding anything elsewhere set forth herein, for Lots owned by the Class B Members for which Use and Occupancy permits have been issued by all necessary and appropriate governmental authorities for use and occupancy of any Dwelling constructed thereon, any assessment shall be twenty-five percent (25%) of the assessment levied against improved Lots of transferee Class A Members. Otherwise, there shall be no assessments for Lots owned by the Class B Members. For so long as the Class B Members own Lots which are either assessed by the Association at twenty-five percent (25%) or for which there is no assessment, the Class B Members in proportion to the number of such Lots owned by the Class B Members, shall fund all budget deficits of the Association.

(e) The Village Board may fix the annual assessment or charges against each Lot at any amount not in excess of the maximum. Subject to the limitations set forth in this Section 9.3, and for the periods therein specified, the Village Association may change the maximum and the basis of the assessments fixed by Section 9.3 hereof prospectively for any period provided that any such change shall have the assent of two-thirds (2/3) of each class of members of the Village Association, voting in person or by proxy, at a meeting duly called for such purposes.

**9.4. Special Assessments.** In addition to the annual assessments authorized above, the Village Association may levy in any assessment year, a special assessment, applicable for that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement located on the Village Common Area, including fixtures and personal property related thereto, and/or unforeseen expenses of the Village Association; provided that such assessment shall first be approved by two-thirds (2/3) of the votes of each class of the members of the Village Association, voting in person or by proxy at a meeting to be called for such purpose.

**9.5. Notice and Quorum for any Action Authorized under Sections 9.3 and 9.4.** Written notice of any meetings of members of the Village Association called for the purpose of taking any action authorized under Sections 9.3 and 9.4 of this Article shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting. At the first such meeting called, the presence at the meeting of members or of proxies, entitled to cast sixty percent (60%) of all of the votes of each class of member entitled to be cast at such a meeting shall be necessary and sufficient to constitute a quorum. If the required quorum is not present, one or more other meetings may be called subject to the same notice requirements, and the required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

9.6. Commencement Date of Annual Assessments.

(a) Notwithstanding anything to the contrary contained herein, the annual and special assessments as to any Lot shall commence on the earlier of (i) the date such Lot is conveyed to any person or entity other than the Declarants or Builder or (ii) the date a Use and Occupancy Permit is issued by the proper authorities of Baltimore County to the Declarants or a Builder. The annual assessment shall be due and payable on monthly basis on the first (1st) calendar day of each month, and shall be a lien for any month after the thirtieth (30th) day of that month.

(b) The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

(c) The due date of any special assessment under Section 9.4 shall be fixed in the resolution authorizing such special assessment.

9.7. Duties of the Village Board.

(a) The Village Board shall determine the amount of the maintenance assessments annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Village Board, installments of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinabove provided for. Any member may prepay one or more installments of any maintenance assessment levied by the Village Association, without premium or penalty.

(b) The Village Board shall prepare, or cause to be prepared, an annual operating budget for the Village Association, which shall provide, without limitation, for the management, operation and maintenance of the Village Common Area. The Village Board of the Village Association shall make reasonable efforts to fix the amount of the annual maintenance assessment against each Lot for each assessment period at least thirty (30) days in advance of the beginning of such period and shall, at that time, prepare a roster of the Lots and the annual maintenance assessments applicable thereto which shall be kept in the office of the Village Association and shall be open to inspection by any Record Owner upon reasonable notice to the Village Board. Written notice of the annual maintenance assessments shall thereupon be sent to all members of the Village Association. The omission by the Village Board, before the expiration of any assessment period, to fix the amount of the annual maintenance assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any member from the obligation to pay the annual maintenance assessment, or any installment thereof, for that or any subsequent assessment period; but the annual maintenance assessment fixed for the preceding period shall continue until a new maintenance assessment is fixed. No member may exempt itself from liability for maintenance assessments by abandonment of any Lot owned by such member or by the abandonment of such member's right to the use and enjoyment of the Village Common Area.

(c) The Village Association shall, upon demand at any time, furnish to any Record Owner liable for assessment a certificate in writing signed by an officer of the Village Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. A charge not to exceed fifteen dollars (\$15.00) may be levied in advance by the Village Association for each certificate so delivered.

9.8. Additional Assessments. Additional assessments may be fixed against any Lot only as provided for in this Declaration. Any such assessments shall be due as provided by the Village Board in making any such assessment.

9.9. Nonpayment of Assessment. Any assessment not paid within thirtieth (30) days after the due date thereof shall be delinquent and shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and shall be subject to a late charge per month until paid of Fifteen Dollars (\$15.00), or ten percent (10%) of the Assessment, whichever is greater, reasonable attorney's fees and costs of collection, and the Village Board shall have the right to declare the entire balance of the Assessment and accrued interest thereon to be immediately due and payable. The Village Association may bring an action at law, under the Maryland Contract Lien Act or other remedy pursuant to the laws of Maryland, against the Record Owner personally obligated to pay the same, and/or without waiving any other right, at equity to foreclose the lien against the Lot in the same manner and subject to the same requirements as are specified by the law of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and there shall be added to the amount of such assessment the reasonable costs of preparing and filing the complaint of such action, and in the event that judgment is obtained, such judgment shall include

interest on the assessment as above provided and reasonable attorneys' fees to be fixed by the court together with the cost of the action. No Record Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Village Common Area or abandonment of such Record Owner's Lot.

9.10. Subordination of Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgages or deed(s) of trust now or hereafter placed upon a Lot subject to such assessment. The sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve such Lot from liability for any assessments thereafter becoming due, nor from the lien of any such future assessment.

9.11. Enforcement of Lien. The Village Association may establish and enforce the lien for any assessment, annual, special, or otherwise, pursuant to the provisions of the Maryland Contract Lien Act. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages, interest, costs of collection, late charges established herein or otherwise permitted by law, and attorneys' fees provided for herein or awarded by a court for breach of any of the covenants herein.

9.12. Exempt Property. The Village Common Area and all Lots owned by the Village Association or dedicated to and accepted by a public authority and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Maryland shall be exempt from the assessments created herein.

9.13. Reserves for Replacements.

(a) The Village Association shall establish and maintain a reserve fund for repairs and replacements of the Village Common Area by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Village Board. Such fund shall be conclusively deemed to be a common expense of the Village 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 Village Board, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

(b) The Village Association may establish such other reserves for such other purposes as the Village Board 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.

9.14. Initial Capital Contribution. At settlement for each Lot, the sum of one-sixth (1/6th) of the then annual assessment (being also two (2) months of the monthly increment thereof) for each Lot shall be collected from each prospective member of the Association (other than the Builder or the Declarants) for the purpose of start-up expenses and operating contingencies. The Builder, in its sole discretion, may prepay the initial capital contribution for any Lot, in which event at settlement of such Lot the initial capital contribution otherwise payable by the prospective member to the Village Association shall be paid instead directly to the Builder.

**ARTICLE X**  
**INSURANCE AND CASUALTY LOSSES**

10.1. Types. The Village Association, to the extent available, shall obtain and continue in effect, in its own name, the types of insurance set forth below:

10.1.1. Public Liability Insurance. A policy of comprehensive public liability insurance covering the Village Common Area with limits of not less than one Million Dollars (\$1,000,000) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for nonowned and hired automobile and liability for property of others, and such other risks as shall customarily be covered with respect to similar communities in the Baltimore/Washington area, and shall contain a "severability of interest" endorsement or the equivalent which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Village Association or other Owners. The policy shall provide for at least ten (10) days written notice to the Village Association before the insurer can cancel or substantially modify the same.

10.1.2. Casualty Insurance. A "master" or "blanket" policy of fire and casualty insurance with an "all risk" endorsement and extended coverage for the full replacement value (i.e. one hundred percent (100%) of current "replacement cost" exclusive of land, foundation, excavation and other items normally excluded from coverage of the Village Common Area (including all building service equipment and the like), without deduction for depreciation, with an "agreed amount endorsement" or its equivalent, a "demolition endorsement" or its equivalent, and, if necessary an "increased cost of construction endorsement" or "contingent liability from operation of building laws endorsement" and clauses waiving subrogation against Members and the Village Association and persons upon the Property with the permission of a Member, such insurance to afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Village.

10.1.3. Fidelity Bonds. Fidelity coverage against dishonest acts on the part of Village Directors, officers, employees or volunteers who handle or who are responsible to handle the funds of the Village Association, and such fidelity bonds shall (a) name the Village Association as obligee, (b) shall be written in an amount equal to at least the estimated maximum of funds, including reserves, in the custody of the Village Association or a management agent at any given time during the term of the fidelity bond; provided however, that the bond shall not be less than a sum equal to three (3) months aggregate Regular Assessments on all Lots plus reserve funds, (c) shall contain waivers of any defense based on the exclusion of persons who serve without compensation or from any definition of "employee" or similar expression, and (d) shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium); without at least thirty (30) days prior written notice to Lenders.

10.2. Required Provisions. All such property and liability insurance shall be subject to the following provisions and limitations:

10.2.1. Named Insured. The named insured under any such policies shall be the Village Association as a trustee for the Members or their authorized representative including any trustee with which such Village Association may enter into any Insurance Trust Agreement, or any successor trustee, each of which shall be herein elsewhere referred to as the "Insurance Trustee" who shall have exclusive authority to negotiate losses under said policies. If required by Declarant or any mortgagee of the Village Association, the Village Association shall name Declarant and/or mortgagee as additional insureds.

10.2.2. Contribution. In no event shall the insurance coverage obtained and maintained pursuant to the requirement of this Article be brought into contribution with other insurance purchased by the Village Association, Owners or their Lenders.

10.2.3. Standard for Insurer. Each insurance carrier must have a B general policyholder's rating or a financial performance index of 6 or better in the Best's Key Rating Guide, or an A or better rating from Demotech, Inc., if the carrier is issuing an insurance policy for the Village Common Areas.

10.2.4. Deductible. The deductible of any policy can not be more than the lesser of \$10,000.00 or one percent (1%) of the policy face amount. Funds to cover all deductible amounts shall be include in the Association's Reserve Fund.

10.2.5. Inflation Endorsement. All policies of insurance shall contain an inflation guard endorsement.

10.3. Waiver by Members. As to each of said policies which will not be voided or impaired thereby, the Members hereby waive and release all claims against the Village Association, the Village Board, the Declarant, and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

10.4. Other Insurance; Annual Review. The Village Association shall purchase, if available, officers' and directors' liability and errors and omission insurance and may purchase such other insurance as it may deem necessary, including, but not limited to, plate glass insurance and worker's compensation. The Village Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Village Common Area in light of increased construction costs, inflation, practice in the area in which the Village is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Village Association.



If the Village Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same. If the Village Board determines, in its reasonable and good faith judgment, that increased, decreased or additional insurance is required, it shall take appropriate action.

**10.5. Premiums and Proceeds.** Insurance premiums for any such blanket insurance coverage obtained by the Village Association and any other insurance deemed necessary by the Village Association shall be a Common Expense to be included in the Regular Assessments levied by the Village Association. Insurance proceeds shall be used by the Village Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of as provided in the Article hereof entitled "Destruction of Improvements". Any two (2) Directors may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Village Association and the Members and Owners.

**10.6. Abandonment of Replacement Cost Insurance.** Unless unavailable at reasonable costs in the insurance market or unless at least two-thirds (2/3) of the Institutional Mortgagees (based on one (1) vote for each First Mortgage) have given their prior written approval, the Village Association shall not be entitled to fail to maintain the extended coverage fire and casualty insurance required by this Article on less than a one hundred percent (100%) current replacement cost basis, if available, subject to reasonable deductible amounts and co-insurance provisions which may be approved by the Village Board.

**10.7. Requirements of Federal Agencies and Corporations.** Notwithstanding the foregoing provisions of this Article, the Village Association shall continuously maintain, in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development Villages established by any Federal Agencies and corporations, i.e. FHA, VA, FNMA, FHLMC, GNMA, HUD, so long as either is a Mortgagee or Owner within the Village, or insures or guarantees a Mortgage on a Lot, as the case may be, except to the extent such coverage is not available or has been waived in writing by the foregoing entities.

**10.8. Damage and Destruction of Common Area.**

**10.8.1.** Immediately after any damage or destruction by fire or other casualty to all or any part of the insurable improvements on the Village Common Area, the Village Board, or its agent, shall proceed with the filing and adjustment of all claims arising under the fire and extended coverage insurance maintained by the Village 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.

**10.8.2.** Any damage or destruction to insurable improvements on the Village 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, and at least two-thirds (2/3) of the first Mortgagees of all Lots have given their prior written approval not to rebuild as hereinafter provided.

**10.8.3.** 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 Village Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Village Common Area by the Village Association in a neat and attractive condition. In such event, any excess insurance proceeds shall be paid over to the Village 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 By-Laws of the Village Association.

**10.9. Repair and Reconstruction of Village Common Area.** If any improvements on the Common Area are damaged or destroyed, and the proceeds of insurance received by the Village Association are not sufficient to pay in full the cost of the repair and reconstruction of the improvements, the Village Board 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 Section 9.4 hereof. If the proceeds of insurance exceed the cost of repair, such excess shall be retained by the Village Association and used for such purposes as the Village Board shall determine.

**10.10. 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.

**10.11. 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 any 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 Architectural Standards Committee or constructed by the Builder; 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 Standards Committee and obtain its approval prior to commencing the repair, restoration or replacement. If any first 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 this Article, the Village 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 Village Association for any costs incurred by the Village 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 Village Association, the Village 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 XI**  
**RIGHTS OF MORTGAGEES**

11.1. **Special Mortgagee Provision.** It is anticipated that part or all of the Lots in The Villages of Winterset may be financed for the Owners through Federal Agencies or corporations thereof, i.e. FHA, VA, HUD, FNMA, FHLMC, GNMA. The interest of the Village Association and each of the Members is and shall be subject to and subordinate to the rules, regulations and requirements of such Federal Agencies or corporations purchasing mortgages in the Village. As the requirements of such Federal Agencies or corporations are subject to change, if necessary, Declarant shall execute and cause to be recorded a Supplemental Declaration, incorporating such additional covenants, conditions and restrictions as are required by such agencies, affecting the properties. Notwithstanding prior acquisition of title to any portion of property in the Village by the Village Association, or any Owner, such supplemental covenants, conditions and restrictions shall be binding upon all Members and Village Association. Declarant may execute as many such Supplemental Declarations as are required to comply with such Federal Agency's or corporation's requirements from time to time throughout the course of sale of the Lots. Declarant may bind the Village Association and all Owners by written consent with such Federal Agencies or corporations.

11.2. **Conflict.** Notwithstanding any contrary provision contained elsewhere in this Declaration or in the Village Bylaws, Village Articles or Village Association Rules, the provisions of this Article shall control with respect to the rights and obligations of Institutional Mortgagees specified herein.

11.3. **Payment of Taxes and Insurance.** First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Village Common Area, unless such taxes or charges are separately assessed against the Owners, in which case the rights of First Mortgagees shall be governed by the provisions of their Mortgages. First Mortgagees may, jointly or singly, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Village Common Area and First Mortgagees making such payments shall be owed immediate reimbursement therefore from the Village Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any First Mortgagee which requests the same to be executed by the Village Association. Institutional Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Village Common Area or Improvements thereon and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Village Common Area. Institutional Mortgagees making such payments shall be owed immediate reimbursement for such expenditures from the Village Association and, on demand, the Village Association shall execute an agreement in favor of all Institutional Mortgagees reflecting entitlement to reimbursement.

11.4. Termination of Contract and Agreements. Any contract or lease, including any contract providing for the services of Declarant, entered into by the Village Association while Declarant controls the Village Association shall be for a term not to exceed three (3) years and shall provide that the Village Association has the right to terminate such contract or lease with cause upon thirty (30) days written notice, and without cause and without penalty or the payment of a termination fee at any time after the transfer of control of the Village Association from Declarant upon not more than ninety (90) days notice to the other pay. For purposes of this Section, the term "control" shall mean the right of Declarant to exercise unilateral control over the Village Association, the Village Board, or the Owners in any manner other than by Declarant's exercise of votes allocated to Declarant on the same basis as votes are allocated to other Owners.

11.5. Notice to Mortgage Holders. A Mortgagee shall not be entitled to receive any notice which this Declaration requires the Village Association to deliver to Mortgagees unless and until such Mortgagee, or its mortgage servicing contractor, has delivered to the Village Board a written notice stating that such Mortgagee is the holder of a Mortgage encumbering a Lot within the Property (herein any Mortgagee delivering such notice shall be referred to as an "Eligible Holder"). Such notice shall state which Lot or Lots are encumbered by such Mortgage, and whether such Mortgagee is a First Mortgagee. Whenever the approval of all or a specified percentage of Mortgagees is required pursuant to this Declaration, it shall be deemed to mean the vote or approval of all or a specified percentage only of the Eligible Holders. Notwithstanding the foregoing, if any right of a Mortgagee under this Declaration is conditioned on a specific written request to the Village Association, in addition to having delivered the notice provided in this Section, a Mortgagee must also make such request, either in a separate writing delivered to the Village Association or in the notice provided above in this Section, in order to be entitled to such right. Except as provided in this Section, a Mortgagee's rights pursuant to this Declaration, including, without limitation, the priority of the lien of Mortgages over the lien of Village Assessments levied by the Village Association hereunder shall not be affected by the failure to deliver a notice to the Village Board. Any notice or request delivered to the Village Board by a Mortgagee shall remain effective without any further action by such Mortgagee for so long as the facts set forth in such notice or request remain unchanged. An Eligible Holder is entitled to timely written notice of:

11.5.1. Any condemnation loss or casualty loss which affects either a material portion of the Property or the Lot on which the Eligible Holder holds a First Mortgage;

11.5.2. Any delinquency in the payment of assessments or charges owed by the Owner of a Lot which is subject to a First Mortgage held by the Eligible Holder if the delinquency is not cured within ninety (90) days after its due date;

11.5.3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Village Association;

11.5.4. Any proposal to take any action which requires the consent of a specified percentage of Eligible Holders; or

11.5.5. Any default by an Owner-Mortgagor of a Lot in the performance of his obligations under this Declaration or the Village Bylaws, which is not cured within ninety (90) days.

11.6. Inspection of Books and Records. Upon written request, any Owner, First Mortgagee or Institutional Mortgagee shall be entitled to inspect the books, records and financial statements of the Village Association and this Declaration, the Village Bylaws, the Village Articles and the Village Association Rules and any amendments thereto during normal business hours or under other reasonable circumstances.

11.7. Voting Rights of Mortgagees. For purposes of this Section, a Mortgagee shall be entitled to one (1) vote for each Lot encumbered by a First Mortgage held by the Mortgagee.

11.8. Actions Requiring Mortgagee Votes. Neither the Village Association nor any Owner shall do any of the following, unless at least sixty-seven percent (67%) of the Eligible Holders have given their prior written approval:

11.8.1. By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer any property or Improvements owned, directly or indirectly, by the Village Association for the benefit of the Lots and the Owners. (The granting of easements or dedication of land for public utilities, roads or for other public purposes consistent with the intended use of the property by the Village Association and Owners shall not be deemed a transfer within the meaning of this Subsection);

11.8.2. By act or omission, change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to architectural design or exterior appearance of Lots, the exterior maintenance of Lots, the maintenance of party, walls, fences or driveways, or the upkeep of lawns, plantings or other landscaping within the Village;

11.8.3. By act or omission, change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

11.8.4. Fail to maintain fire and extended coverage insurance on insurable portions of the Village Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value based on current replacement cost; or

11.8.5. Use hazard insurance proceeds for losses to any property or Improvements owned by the Village Association other than for the repair, replacement or reconstruction of the property and Improvements.

11.9. Votes for Termination of Village. Any election to terminate the legal status of the Property as a planned unit development shall require:

11.9.1. The approval of at least fifty-one percent (51%) of the Eligible Holders if the election to terminate the legal status is a result of substantial destruction or a substantial taking in condemnation of the Property; or

11.9.2. The approval of sixty-seven percent (67%) of the Owners and of sixty-seven percent (67%) of the Eligible Holders, if Subsection 17.9.1, above, is not applicable.

11.10. Condemnation or Destruction. In the event a portion of the Property is either condemned or destroyed or damaged by a hazard that is insured against, restoration or repair shall be performed substantially in accordance with the provisions of this Declaration and the original plans and specifications for the Property, unless fifty-one percent (51%) of the Eligible Holders approve the taking of other action by the Village Association.

11.11. Mortgage Protection. A breach of any of the conditions contained in this Declaration shall not defeat nor render invalid the lien of any Mortgage made in good faith and for value as to any Lot within the Property; provided, however, that the conditions contained in this Declaration shall be binding upon and effective against any Owner of a Lot if the Lot is acquired by foreclosure, trustee's sale or otherwise.

11.12. Distribution of Insurance and Condemnation Proceeds. No Owner, or any other party, shall have priority over any right of Institutional First Mortgagees of Lots pursuant to their Mortgages in case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of units or Village Common Area. Any provision to the contrary in this Declaration or in the Village Bylaws or other documents relating to the Property is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses naming the Mortgagees, as their interests may appear.

11.13. Non-Curable Breach. Any Mortgagee who acquires title to a Lot by foreclosure or by deed in lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is non-curable or of a type that is not practical or feasible to cure.

11.14. Loan to Facilitate. Any Mortgage given to secure a loan to facilitate the resale of a Lot after acquisition by foreclosure or by a deed-in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Article.

11.15. Appearance at Meetings. Because of its financial interest in the Property, any Mortgagee may appear (but cannot vote except under the circumstances set forth herein) at meetings of the Members and the Village Board to draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or assessments.

11.16. Right to Furnish Information. Any Mortgagees can furnish information to the Village Board concerning the status of any Mortgage.

11.17. Inapplicability of Right of First Refusal to Mortgagee. No right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey the Owner's Lot shall be granted to the Village Association without the written consent of any Mortgagees of the Lot. Any right of first refusal or option to purchase a unit that may be granted to the Village Association (or other person, firm or entity) shall not apply to any conveyance or transfer of title to such Lot,



whether voluntary or involuntary, to a Mortgagee which acquires title to or Ownership of the unit pursuant to the remedies provided in its Mortgage or by reason of foreclosure of the Mortgage or deed in lieu of foreclosure.

## **ARTICLE XII**

### **AMENDMENT AND TERM OF DECLARATION**

12.1. **Amendments.** 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 Village Board after approval of the amendment at a meeting of the Village Members duly called for such purpose. The vote (in person or by proxy) or written consent of; (a) at least ninety percent (90%) of the Class A votes and at least ninety percent (90%) of Class B votes and (b) fifty-one percent (51%) of the Eligible Holders (based on one vote for Lot covered by each Mortgage held) shall be required to add to, amend or modify, whether for final amendment or otherwise, any material provision of this Declaration which establishes, provides for, governs or regulates any of the following subjects:

- 12.1.1. Voting;
- 12.1.2. Assessments, assessment liens, or subordination of such liens;
- 12.1.3. Reserves for maintenance, repair, and replacement of the Village Common Area;
- 12.1.4. Insurance or Fidelity Bonds;
- 12.1.5. Rights to use of the Village Common Area;
- 12.1.6. Responsibility for maintenance and repair of the Village;
- 12.1.7. Expansion or contraction of the Village or the addition, annexation, or withdrawal of property to or from the Village, except as set forth in Article 16 hereof;
- 12.1.8. Boundaries of any Lot;
- 12.1.9. Reallocation of interests in the Village Common Area;
- 12.1.10. Conversion of Lots into Village Common Area or the Village Common Area into Lots;
- 12.1.11. Imposition of any right of first refusal or similar restriction on the right of a Owner to sell, transfer or otherwise convey his or her Lot;
- 12.1.12. Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders, or eligible insurers or guarantors of First Mortgages on Lots;
- 12.1.13. A decision by the Village Association to establish self-management when professional management has been required previously by an Eligible Holder;
- 12.1.14. Any action to terminate the legal status of the Village after substantial damage or destruction occurs; or
- 12.1.15. Restoration or repair of the Village (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration.

An addition or amendment to this Declaration shall not be considered material if it is for the purposes of correcting technical errors or for clarification only.

12.2. **Termination of Legal Status.** When the Owners are considering termination of the legal status of the Village Association for reasons other than substantial destruction or condemnation of the Property, Eligible Holders that represent at least sixty-seven percent (67%) of the votes of the

mortgaged units must agree, in addition to the consent of at least ninety percent (90%) of the Class A votes and at least ninety percent (90%) of the Class B votes.

12.3. Other Amendments. Amendments, modifications, or additions to this Declaration other than those set forth in Subsections 12.1.1 through 12.1.15 and 12.2 of this Declaration shall require the vote, in person or by proxy, or the written consent of at least ninety percent (90%) of the Class A votes and at least ninety percent (90%) of the Class B votes.

12.4. Notice to Eligible Holders. Any Eligible Holder who received a written request, via certified or registered, return receipt requested mail, to approve additions or amendments who does not respond within thirty (30) days of receipt thereof, shall be deemed to have approved such addition or amendment. Notwithstanding the foregoing, the percentage of a quorum or the voting power of the Village Association or of Members other than the Declarant necessary to amend a special clause or provision of this Declaration shall not be less than the prescribed percentage of affirmative votes required for action to be taken under this clause or provision. An amendment or modification shall be effective when executed by the President or Vice President and Secretary or Assistant Secretary of the Village Association who shall certify that the amendment or modification has been approved as hereinabove provided, and shall record the amendment in the official Records of Baltimore County, Maryland. For the purpose of recording such instrument, each Owner, with the exception of the Administrator of Veteran Affairs, an Officer of the United States of America, hereby grants to the President or Vice President and Secretary or Assistant Secretary of the Village Association an irrevocable power of attorney to act for and on behalf of each and every 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 Village Articles, Village Bylaws or this Declaration be terminated, altered or amended without Declarant's prior written consent.

12.5. Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Village Association or any Member, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for a successive period of ten (10) years, unless an instrument, signed by a majority of the Owners has been recorded, at least one (1) year prior to the end of any such period agreeing to change said covenants, conditions and restrictions in whole or in part. After said initial term, this Declaration may be terminated or amended by the written assent of seventy-five percent (75%) of all of the Owners subject to the consent of Eligible Holders as set forth in Section 12.1 and 12.2 above.

12.6. HUD/FHA/VA Approval. Notwithstanding anything to the contrary contained herein, during the Development Period, amendment of this Declaration shall also require the approval of HUD/FHA/VA, if applicable.

#### ARTICLE XIII

#### VILLAGES OF WINTERSET COMMUNITY RIGHTS AND OBLIGATIONS.

13.1. Easement to Village of Winterset Community Association. The officers, agents, employees and independent contractors of the Villages of Winterset Community Association, Inc. (the "Master Association") shall have a non exclusive easement to enter upon the Property, or any portion thereof, for the purpose of performing or satisfying the duties and obligations of the Master Association as set forth in the Master Association Declaration of Covenants, Conditions and Restrictions dated January 25, 1995 and recorded among the Land Records of Baltimore County in Liber S.M. No.       , folio       , as amended from time to time (the "Master Declaration") or as otherwise set forth in any other documents or rules and regulations applicable to the Master Association.

13.2. Subordination of Assessment Lien. The lien of any assessment imposed upon any Lot pursuant to this Declaration shall be subordinate and inferior to the lien of any assessment imposed upon such Lot pursuant to the Master Declaration.

13.3. Villages of Winterset Community Association Assessments. Declarants hereby covenants for each Lot and each Record Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, does and is hereby deemed to covenant and agree to pay to the Master Association the Master Association assessments imposed upon such Lots pursuant to the Master Declaration. Said assessments shall be levied and collected as provided in the Master Declaration. The foregoing covenant of the Declarants and each Record Owner shall terminate as to assessments not then due or payable at such time as the Declarants or Record Owner shall cease to be the owner of the record of the Lot upon which such assessments are imposed. Said

covenant shall continue, however, as to each Record Owner holding title to any Lot at the time when the assessment fell due or was payable.

The Village Association shall have responsibility for collecting Master Association assessments. Such Master Association assessments shall be due and payable to the Village Association on the same day that such assessments are due and payable to the Master Association. The Village Association shall levy late charges and, upon instructions from the Master Association Board of Directors, interest charges against any Owner who fails to pay such Master Association assessments within the time periods specified herein. Within three (3) business days of payment of the Master Association assessments to the Village Association, the Village Association shall deliver such Master Association assessments to the Master Association. The Master Association Board of Directors shall establish procedures for the payment by the Village Association to the Master Association of the Master Association assessments collected by the Village Association. Any Master Association assessments collected by the Village Association shall be held in trust for the benefit of the Master Association. If the Village Association fails to pay Master Association assessments to the Master Association Board of Directors when due, and in accordance with the provisions of any guidelines established by the Master Association Board of Directors, the Master Association Board of Directors may bring any action, at law or equity, against the Village Association and all costs of enforcement assessed against the Village Association under the Master Declaration. The Master Association Board of Directors may upon a vote by a majority of the said Directors, elect to terminate the obligation of any Village Association to collect the Master Association assessments.

With the consent of the Village Association, which shall not be unreasonably withheld, the Master Association may elect to administer, levy, collect, and enforce the assessments provided for under this Declaration provided, however, the Master Association may elect to pre-empt the rights of the Village Association and may fix, levy, collect and enforce said assessments if the Village Association fails to levy or collect the Master Association assessments or fails to duly operate and maintain to the standards reasonably established for Villages of Winterset by the Master Association. All funds collected by the Master Association pursuant to this Declaration shall be utilized in the manner and for the purposes specified in this Declaration and in the Master Declaration, the Master Association By-Laws, the Master Association Articles of Incorporation, and the rules and regulations of the Master Association Board of Directors and the Master Association Architectural Standards Committee.

All Master Association assessments shall be payable in the amount specified by the particular assessment, and no offset against such amount shall be permitted for any reason, including, without limitation, a claim that the Declarants or the Master Association is not properly exercising their duties or powers as provided for herein or in the Master Declaration.

**13.4. Waiver of Right to Object to Alteration in Development of Villages of Winterset.** The Village Association and each owner, or purchaser, tenant or Mortgagee of any Lot waives any rights they may have to object to modifications or changes in final development plans, record plats or subdivision plans for any land which may be developed in the Villages of Winterset outside of the Village of Section 1B. This waiver shall appear in all contracts of sale, leases, or assignments of a Record Owner's interest in any portion of the community.

**13.5. Enforcement.** Breach of any of the limitations, restrictions, conditions and covenants set forth in this Declaration, or the continuation thereof, may be enjoined, abated or remedied by appropriate legal proceedings by the Master Association and in such event the Master Association shall be deemed to be a person who may enforce the provisions of this Declaration. The failure of the Master Association to enforce any of said limitations, restrictions, conditions or covenants shall not constitute a waiver of the right to enforce the same thereafter. No liability shall be imposed on, nor incurred by, the Master Association as a result of such failure. The prevailing party in any action at law or in equity instituted by the Master Association to enforce or interpret said limitations, restrictions, conditions or covenants, shall be entitled to all costs incurred in connection therewith, including without limitation, reasonable, attorneys' fees.

**13.6. Supremacy of Villages of Winterset Declaration.** In addition to all of the rights and obligations which have been conferred or imposed upon the Village Association pursuant to this Declaration, the Village Bylaws or the Village Articles, the Village Association shall be entitled to exercise any of the rights conferred upon it and be subject to all of the obligations imposed upon it pursuant to the Master Declaration, the Master Association Bylaws or the Master Association Articles of Incorporation. The Village Association (including, without limitation, the Association Architectural Standards Committee) shall also be subject to all superior rights and powers which have been conferred upon the Master Association pursuant to the Master Association Declaration, the Master Association Bylaws and Master Association Articles of Incorporation.



13.6.1. Each Owner and each Lot shall be subject to all of the covenants, conditions, restrictions and provisions contained in the Master Declaration.

13.6.2. In the event of any conflict between any of the covenants, conditions, restrictions or provisions of this Declaration, the Bylaws or the Articles of Incorporation of the Village Association with any of the covenants, conditions, restrictions or provisions of the Master Declaration, the Master Bylaws and the Master Articles of Incorporation, then in such event, the covenants, conditions, restrictions and provisions of the Master Declaration, the Master Bylaws and the Master Articles of Incorporation shall govern and prevail.

13.7. Delegate Selection. The Master Declaration provides for representation of the Village Association to the Master Association by selecting a delegate. The President of the Village Association, or his or her designee, shall constitute the delegate to the Master Association for the Village Association with the right and obligation to represent and vote on behalf of the Village Association in accordance with the terms of the Master Declaration. The President, at meetings of the Master Association, shall cast the votes of the members of the Village Association at the direction of the Board of Directors, in the manner provided in the Village Bylaws of the Village Association. Notwithstanding the foregoing, if the matter to be decided would require the approval of the members of the Village Association pursuant to the terms of this Declaration and the Village Articles and Village Bylaws, had such matter arisen hereunder or thereunder, then such matter shall be decided by the appropriate vote of the members of the Association.

#### ARTICLE XIV MISCELLANEOUS

##### 14.1. Enforcement.

14.1.1. 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 Village, the purchaser or purchasers violating or attempting to violate any covenant, agree to reimburse the Village Association and/or any Record Owners for all costs and expenses for which it or they may be put as a result of the said violation or attempted violation, including but not limited to, court costs and attorneys' fees.

14.1.2. These Village Association and each Record Owner of any Lot and their respective legal representatives, successors and assigns, and all persons claiming by, through or under any of them shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

14.2. No Waiver. The failure or forbearance by the Village Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

14.3. 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 conclusively deemed to incorporate the covenants, restrictions, servitude, easements, charges and liens set forth in this Declaration, whether or not a provision to such effect is specifically set forth therein.

14.4. 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 Village Association at the time of such mailing.

14.5. 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 Village 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 Village Common Area.

14.6. 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.

14.7. 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, female or neuter gender shall include all such genders, the singular shall include the plural and the plural shall include the singular.

14.8. HUD/FHA/VA Approval. If the Declarant applies for approval for any Lot of the U.S. Department of Housing and Urban Development, the Federal Housing Administration or the Veterans Administration, for mortgage financing, then in that event so long as there is a Class B Membership, the following actions will require the prior approval of the U.S. Department of Housing and Urban Development, the Federal Housing Administration and/or the Veteran's Administration: annexation of additional properties, dedication, conveyance or mortgage of Village Common Area, and amendment of this Declaration.


WITNESS, the hands and seals of the parties hereto on the day hereinabove first written.

WITNESS/ATTEST:

DECLARANTS:

CABRAGO LIMITED PARTNERSHIP,  
a Maryland limited partnership  
By: Back Alley, Inc., its general partner



By:  (SEAL)  
Name: T. Kevin Casey  
Title: VICE-PRESIDENT

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

I HEREBY CERTIFY, that on this 25<sup>th</sup> day of January, 1998, personally appeared before, a Notary Public in and for the State of Maryland, T. Kevin Casey who is personally known or satisfactorily proven to me to be T. Kevin Casey the Vice President of Back Alley, Inc., the general partner of Cabrago Limited Partnership, a Maryland limited partnership, in the foregoing instrument and by virtue of the authority vested in him, acknowledged said instrument to be the act and deed of said Cabrago Limited Partnership and in my presence signed and sealed the same.

AS WITNESS, my hand and Notarial Seal.



  
Notary Public

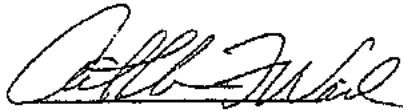
My Commission Expires: 12/6/97

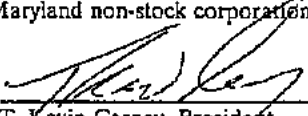
CONSENT OF ASSOCIATION

The VILLAGE OF WINTERSET SECTION 1B HOMEOWNERS ASSOCIATION, INC., a Maryland non-stock corporation, hereby joins herein and consents to the placement and imposition of this Declaration upon its interests.

THE ASSOCIATION:

VILLAGE OF WINTERSET SECTION 1B  
HOMEOWNERS ASSOCIATION, INC.,  
a Maryland non-stock corporation



By:  (SEAL)  
T. Kevin Carney, President

STATE OF MARYLAND, CITY/COUNTY OF Howard TO WIT:

I HEREBY CERTIFY that on this 25<sup>th</sup> day of January, 1994, before me, the subscriber, a Notary Public of Howard County, State of Maryland, personally appeared T. Kevin Carney, known to me or suitable proven to be the President of the Village of Winterset Section 1B Homeowners Association, Inc., a Maryland non-stock corporation, and on behalf of said corporation, did acknowledge the foregoing instrument to be the act and deed of said corporation.

AS WITNESS my hand and seal.



  
Notary Public

My Commission Expires 12/31/97

10/11/97

**CONSENT OF LENDER**

MERCANTILE MORTGAGE CORPORATION AND MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, collectively the Beneficiary under an Indemnity Deed of Trust and Security Agreement recorded among the Land Records of Baltimore County, Maryland in Liber 1c242 Folio 557, joins in the execution of this Declaration of Covenants, Conditions and Restrictions the purpose of consenting to and subordinating the lien of its Indemnity Deed of Trust and Security Agreement to the legal operation and effect of this Declaration of Covenants, Conditions and Restrictions and directs the Trustees to join herein, as set out in the Indemnity Deed of Trust and Security Agreement referred to above.

Witness/Attest:

MERCANTILE MORTGAGE CORPORATION  
a Maryland corporation

James C. De Fato

By: Paul W. Parks  
Name: PAUL W. PARKS  
Title: PRESIDENT

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation

Roxanne H. Moffitt



Stephen A. Hall  
Name: Stephen A. Hall  
Title: Assistant Vice President

James C. De Fato  
as to hold

Paul W. Parks  
Paul W. Parks, Trustee

Michael S. Cordes  
Michael S. Cordes, Trustee

STATE OF MARYLAND, County OF Baltimore, to wit:

I HEREBY CERTIFY that before me this 21 day of November, 1994, a Notary Public of the State of Maryland aforesaid, personally appeared Paul W. Parks, known to me (or satisfactorily proven) to be the duly authorized President of MERCANTILE MORTGAGE CORPORATION, a Maryland corporation, after being duly sworn, stated that he executed the foregoing for the purposes contained herein as such President on behalf of MERCANTILE MORTGAGE CORPORATION.

WITNESS, my hand and Notarial Seal the day and year first above written:

James C. De Fato  
Notary Public

My Commission Expires: 5-1-96

STATE OF MARYLAND, City OF Baltimore, to wit:

I HEREBY CERTIFY that before me this 20 day of November, 1994, a Notary Public of the State of Maryland aforesaid, personally appeared Stephen A. Hall, known to me (or satisfactorily proven) to be the duly authorized Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, after being duly sworn, stated that he executed the foregoing for the purposes contained herein as such Assistant Vice President on behalf of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY.

WITNESS, my hand and Notarial Seal the day and year first above written.

Roxanne H. Moffitt  
Notary Public

My Commission Expires: 10/1/97

STATE OF MARYLAND, County OF Baltimore, to wit:

I HEREBY CERTIFY that before me this 21 day of November, 1994, a Notary Public of the State of Maryland aforesaid, personally appeared PAUL W. PARKS, personally known to me (or satisfactorily proven) to be the person who executed the foregoing instrument as Trustee (or Substituted Trustee) of MERCANTILE MORTGAGE CORPORATION and, he being authorized to do so, acknowledged the foregoing instrument to be his act.

WITNESS, my hand and Notarial Seal the day and year first above written.

James C. De Telle  
Notary Public



My Commission Expires: 5-1-96

STATE OF MARYLAND, County OF Baltimore, to wit:

I HEREBY CERTIFY that before me this 21 day of November, 1994, a Notary Public of the State of Maryland aforesaid, personally appeared MICHAEL S. CORDES, personally known to me (or satisfactorily proven) to be the person who executed the foregoing instrument as Trustee (or Substituted Trustee) of MERCANTILE MORTGAGE CORPORATION and, he being authorized to do so, acknowledged the foregoing instrument to be his act.

WITNESS, my hand and Notarial Seal the day and year first above written.

James C. De Telle  
Notary Public



My Commission Expires: 5-1-96

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DEAR MR./MS. CLERK, AFTER RECORDING PLEASE RETURN TO:

REESE AND CARNEY  
10715 Charter Drive, Suite 200  
Columbia, Maryland 21044  
ATTN: David A. Carney  
File No. 46754/8001

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SECTION 1B HOMEOWNERS ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

EXHIBIT A

Description of the Initial Lots

BEING all those Lots shown and designated as Lot Nos. 100 through 123 and 132 through 152, shown on the Plat Entitled "Amended Resubdivision of Section 1B, The Villages of Lyonsfield Run" recorded among the Land Records of Baltimore County, Maryland in Plat Book S.M. No. 66, folios 135 through 136.



SECTION 1B HOMEOWNERS ASSOCIATION, INC.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

EXHIBIT B

Property Which Can Be Annexed

BEING all that property shown on the Plat entitled "Amended Resubdivision of Section 1B, The Villages of Lyonsfield Run" recorded among the Land Records of Baltimore County, Maryland in Plat Book S.M. No. 66, folios 135 through 136, as further described on the attached pages.

A tract of land comprised of The Villages of Lyonsfield Run, Section 1-B Subdivision located in the Second Election District of Baltimore County, Maryland.

Beginning for the same at a point identified as Point Number BN 923 located at the northeast corner as shown on a Subdivision Plat entitled "Amended Resubdivision of Section 1-B, Plat 1 of 2, The Villages of Lyonsfield Run" as recorded among the Land Records of Baltimore County, Maryland in Plat Book S.M. No. 66 folio 135, thence binding on the outline of said Subdivision Plat the following seven (7) courses and distances:

1. South 50°41'19" East 304.20 feet to a point in Lyons Mill Road, and ultimate 75 foot wide right-of-way, thence binding in said road the following three (3) courses and distances:
2. South 60°03'41" West 759.00 feet to a point; thence,
3. South 78°03'41" West 346.50 feet to a point; thence,
4. South 47°48'41" West 4.76 feet to a point in the centerline of Runnymede Road, a variable width right-of-way, thence binding in said road the following three (3) courses and distances:
5. North 44°03'02" West 170.05 feet to a point; thence
6. Northwesterly 601.70 feet by a curve to the right, having a radius of 700.00 feet and a chord bearing North 19°25'32" West 583.35 feet to a point; thence
7. North 05°11'58" East 42.10 feet, to a point, thence leaving said road and binding on the outline of a Subdivision Plat entitled "Amended Resubdivision of Section 1-B, Plat 2 of 2,

A tract of land comprised of The Villages of Lyonsfield Run, Section 1-B Subdivision located in the Second Election District of Baltimore County, Maryland.

The Villages of Lyonsfield Run" as recorded among the Land Records of Baltimore County, Maryland in Plat Book S.M. No. 66 folio 136, thence binding on the outline of said Plat the following four (4) courses and distances:

8. North 05°11'58" East 83.63 feet to a point; thence,
9. North 49°36'48" East 965.13 feet to a point; thence,
10. South 70°33'34" East 350.00 feet to a point; thence,
11. South 00°02'56" East 660.04 feet to the point of beginning.

Containing 26.5976 acres of land, more or less.

Being all that land as shown on a Subdivision Plat entitled "Amended Resubdivision of Section 1-B, Plat 1 of 2, The Villages of Lyonsfield Run" as recorded among the Land Records of Baltimore County, Maryland in Plat Book S.M. No. 66 folio 135 and a Subdivision Plat entitled "Amended Resubdivision of Section 1-B, Plat 2 of 2, The Villages of Lyonsfield Run" as recorded among the Land Records of Baltimore County, Maryland in Plat Book S.M. No. 66 folio 136.



**THE VILLAGES OF WINTERSET**  
**MASTER ASSOCIATION**

**Corporate Documents - Villages of Winterset Community Association, Inc.**

1. Articles of Incorporation recorded in the records of the State Department of Assessments and Taxation of Maryland on September 22, 1994 in Liber 3648, folio 2874.
2. Bylaws recorded among the Land Records of Baltimore County, Maryland on January 30, 1995.
3. Informal Organizational Action of the Board of Directors dated as of September 23, 1994.
4. Articles of Amendment of the Articles of Incorporation recorded in the records of the State Department of Assessments and Taxation of Maryland on March 23, 1995.

**Documents Recorded in the Land Records**

5. Declaration of Covenants, Conditions and Restriction recorded among the Land Records of Baltimore County, Maryland on January 30, 1995 in Liber 10936, folio 97.
6. First Amendment to Declaration of Covenants, Conditions and Restrictions recorded among the Land Records of Baltimore County, Maryland in Liber 10975, folio 470.
7. Second Amendment to Declaration of Covenants, Conditions and Restrictions recorded among the Land Records of Baltimore County, Maryland in Liber 11091, folio 189.
8. Disclosure for Homeowners Association Information Depository recorded and filed in Baltimore County Homeowners Association Depository on July 5, 1995.

APPROVED FOR RECORD

**ARTICLES OF INCORPORATION  
OF THE  
VILLAGES OF WINTERSET COMMUNITY ASSOCIATION, INC.**

9.22.94 at 3:09 p.

**THIS IS TO CERTIFY THAT:**

The undersigned, David A. Carney, whose post office address is 10715 Charter Drive, Suite 200, Columbia, Maryland 21044 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.

**ARTICLE ONE  
NAME OF CORPORATION**

The name of the corporation (which is hereinafter called the "Community Association") is:

VILLAGES OF WINTERSET COMMUNITY ASSOCIATION, INC.

**ARTICLE TWO  
PURPOSES AND POWERS**

The Community Association is formed to organize and operate a real estate management Community 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 Two, 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 Community Association, 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 Community Association, 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 Community Association 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 Second Election District of Baltimore County, Maryland, containing approximately 185.387 acres of land, as further described in Exhibit A, attached hereto and incorporated by reference herein.

As of the date hereof, the aforesaid parcels include those residential lots and open spaces as are more particularly described in Exhibits A and B to the Declaration of Covenants, Conditions, and Restrictions, made by Cabrago Limited Partnership and GBC Limited Partnership, Declarants, and recorded or intended to be recorded among the Land Records of Baltimore County, as same may hereafter from time to time be amended, or extended to any additional properties (the "Declaration"). The Declaration, which is hereby incorporated herein by reference and made a part hereof, is applicable to the Property (as defined in the Declaration). The Community Association shall enter into the Declaration for the purpose of subjecting to the Declaration the Community Common Area owned by the Community Association. Capitalized terms used but not defined herein shall have those respective meanings attributed to them in the Declaration.

(b) To exercise all the powers, rights and privileges and to perform all the duties and obligations of the Community Association, as 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 Community Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Community Association.

(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 Community Association, subject, however, to such approvals as are herein or in the Declaration required.

08034

(e) To borrow money for the purpose of improving the Community Common Area in a manner designed to promote the enjoyment and welfare of the members, and in aid thereof to mortgage any of the Community Common Area; provided, however, that no such mortgage shall be effective unless two-thirds (2/3) of each class of the then members of the Community Association consent to such mortgage at any regular meeting of the Members or any special meeting of the Members duly called for such purpose;

(f) To dedicate or transfer all or any part of the Community Common Area to any public or municipal agency, authority or utility for purposes consistent with the purpose of the Declaration and subject to such conditions as may be agreed to by the members; and further subject to the written consent of Baltimore County, Maryland; provided, however, that no such dedication or transfer or determination as to the purposes or as to the conditions thereof, shall be effective unless two-thirds (2/3) of each class of the then members of the Community Association consent to such dedication, transfer, purpose and conditions, at any regular meeting of the members or any special meeting of the members duly called for such purpose. Notwithstanding anything to the contrary contained herein, during the period in which there are Class B Members in the Community Association, dedication of Community Common Area shall require prior approval of the United States Department of Housing and Urban Development, Federal Housing Administration, and/or the Veterans' Administration ("HUD/FHAVA");

(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 Community Association, 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 Community Common Area, provided that any annexation of such other additional residential property, open space and Community Common Area shall have the assent of two-thirds (2/3) of each Class of members of the Community Association, 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 Community Association is formed under the articles, conditions and provisions expressed herein and in the general laws of this State. In no event, however, shall the Community Association: (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 Community Association from taxation under the aforesaid Section 501(c) or 528 of the Internal Revenue Code of 1986, as now in force or hereafter amended.

### ARTICLE THREE

#### PRINCIPAL OFFICE AND RESIDENT AGENT

The post office address of the principal office of the Community Association in this State is 10705 Charter Drive, Suite 450, Columbia, Maryland 21044. The name and post office address of the resident agent of the Community Association in this State is T. Kevin Carney, 10705 Charter Drive, Suite 450, Columbia, Maryland 21044 said resident is a citizen of the State of Maryland and actually resides therein.







approval by at least fifty-one percent (51%) of the total voting power other than votes cast by Declarant.

(4) Class D Member. The Class D Members shall initially be each Project Association which contains Single Family Lots and/or Condominiums. Each Delegate shall be entitled to cast one (1) vote for each Single Family Lot and/or Condominium within such Project Association. Notwithstanding the foregoing, the Class D membership shall not be considered a part of the voting power of the Community Association and the Class D members shall not be entitled to exercise any Class D Votes for any reason whatsoever, except for approval of increased Recreational Facility Assessments as set forth in the Declaration for which only Class D and Class C Members shall be entitled to vote. Further, Declarant, and after the conversion of the Class B membership, the Community Board, shall have the right to expand the Class D membership to include any Apartment Property in The Villages of Wintercreek in which case each Delegate for any such Apartment Property shall be entitled to cast one (1) vote in accordance with the Declaration for each Apartment Unit included within the Apartment Property. An Apartment Property which is converted to a condominium shall always be treated as an Apartment Property for purposes of Class D Membership.

(b) If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, holds the record title to any Lot, all of the same, as a unit, and not otherwise, shall be deemed a single member of the Community Association. The vote of any member comprised of two (2) or more persons, firms, corporations, trustees, or other legal entities, or any other combination thereof, shall be cast in the manner provided for in these Articles and/or the Bylaws of the Community Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per Lot for each Lot owned by them. If only one such constituent votes, he, she or it may cast the entire vote of the member and such vote shall bind all such constituents.

#### **ARTICLE SIX BOARD OF DIRECTORS**

The affairs of the Community Association shall be managed initially by a Board of three (3) directors, which number may be increased or decreased pursuant to the Bylaws of the Community Association, but shall never be less than three (3) nor more than nine (9); and the names of the directors who shall act until the first annual meeting or until their successors are duly chosen and qualified are T. Kevin Carney, Robert C. Goodier, and Edward T. Brush. No Director need be a member of the Community Association.

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 three (3) 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.

#### **ARTICLE SEVEN DURATION**

The duration of the Community Association shall be perpetual. The Community Association, 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 Community Association, 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 Community Association, 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 Community Association, by dedication thereof to any appropriate public agency to be used for purposes similar to those for which the Community Association 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, Community 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 Community Association was formed.

**ARTICLE EIGHT  
AMENDMENTS**

Amendment of these Articles shall require the assent of two-thirds (2/3) of each Class of Membership of the Community Association.

**ARTICLE NINE  
ANNEXATION**

Annexation of additional properties; mergers and consolidations, mortgaging or dedication of Community Common Area; dissolution; and amendment of these Articles shall require prior approval of HUD/FHA/VA as long as there is a Class B membership.

**ARTICLE TEN  
LIABILITY OF DIRECTORS AND OFFICERS**

No director or officer of the Community Association shall be liable to the Community Association 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 for 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.

**ARTICLE ELEVEN  
CONFLICT**

In the case of any conflict between these Articles of Incorporation and the Bylaws of the Community Association, these Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Articles of Incorporation, the Declaration shall control.

IN WITNESS WHEREOF, I have signed these Articles of Incorporation and acknowledged the same to be my act on this 22 day of September, 1994.

WITNESS:

*Phyllis M. Green* *David A. Carney*  
David A. Carney

STATE OF MARYLAND, COUNTY OF HOWARD, TO WIT:

On this 22 day of September, 1994, before me, the undersigned officer, personally appeared David A. Carney, known to me (or satisfactorily proven to be) the person whose name is subscribed to the within Articles of Incorporation and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

*Phyllis M. Green*  
Notary Public



My Commission Expires: 12/10/97

DEAR MR./MS. CLERK, AFTER RECORDING PLEASE RETURN TO:  
REESE AND CARNEY  
10715 Charter Drive, Suite 200  
Columbia, Maryland 21044  
ATTN: David A. Carney

HAUSER&FRAWLEYDATAINTERSEART

2048 2075

Exhibit "A"

Legal Description of 185.387 Acres

Second Election District, Baltimore County, Maryland

Beginning for the same at a 3/4 inch diameter iron pin with a 2 inch diameter aluminum cap marked "Daft-McCune-Walker, Inc. Property Marker C-99" affixed (hereinafter referred to as a standard marker) now set in the fifth or South 43-1/4 degrees East 94.4 perch line of the land which by deed dated December 20, 1972 and recorded among the Land Records of Baltimore County, Maryland in Liber E.H.K., Jr. 5325, Folio 6 was granted and conveyed by Fred John von Gunten to The Kant-Mar Corporation, at a point distant 428.00 feet measured reversely in a northwesterly direction on said fifth line from a fragmented stone marked "4" found at the end thereof, said marker also being on the twelfth or South 50 degrees 17 minutes 36 seconds East 833.68 foot line of the land which by deed dated July 17, 1974 and recorded among the aforesaid Land Records in Liber O.T.G. 5708, Folio 8 was granted and conveyed by Board of Education of Baltimore County to Baltimore County, Maryland, said marker also being at the end of the fourth or North 37 degrees 28 minutes East 1340 foot 5 inch line of the land which by deed dated February 7, 1944 and recorded among the aforesaid Land Records in Liber R.J.S. 1325, Folio 81 was granted and conveyed by Christ von Gunten and Rosina von Gunten, his wife to Harry E. Lathe and Mary E. Lathe, his wife, thence leaving said point of beginning and said fifth line of the abovementioned land

the abovementioned land conveyed to Baltimore County, Maryland and running and binding reversely on said fourth line of the abovementioned land conveyed to Lathe, with all courses of this description referred to the Grid Meridian established in the Baltimore County Metropolitan District, (1) South 32 degrees 08 minutes 37 seconds West 1356.67 feet to intersect the eighth or North 63-1/4 degree West 205-1/2 perch line of the abovementioned land conveyed to The Kent-Mar Corporation at a standard marker now set distant 290.50 feet measured in a northwesterly direction on said line from a stone marked "6" found at the beginning thereof, said marker also being on the fourteenth or South 65 degrees East 73.55 perch line of the land which by deed dated February 4, 1966 and recorded among the aforesaid Land Records in Liber O.T.G. 4579, Folio 207 was granted and conveyed by Alice D. Fringer, et. al. to The Kent-Mar Corporation, thence in part running and binding reversely on a part of said eighth line of the abovementioned land conveyed by von Gunten to The Kent-Mar Corporation, and in part binding reversely on the third line of the abovementioned land conveyed to Lathe, and in part binding on a part of the fourteenth line of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation, in all (2) South 71 degrees 37 minutes 21 seconds East 290.50 feet to the stone marked "6" found at the beginning of said third line of the abovementioned land conveyed to Lathe, thence leaving the outlines of the abovementioned land conveyed by von Gunten to the Kent-Mar Corporation and leaving the abovementioned land conveyed to Lathe and in part running and binding on the first

Exhibit A, page 2



line of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation and in part binding reversely on the third or North 62 degrees 39 minutes 34 seconds West 348.12 foot line of the land which by deed dated May 31, 1974 and recorded among the aforesaid Land Records in Liber E.H.X., Jr. 5451, Folio 179 was granted and conveyed by Donna May Johnston, Personal Representative of the Estate of John William Johnston to Donna May Johnston, and in part binding reversely on the third or North 62 degrees 39 minutes 34 seconds West 254.84 foot line of the land which by deed dated September 24, 1957 and recorded among the aforesaid Land Records in Liber G.L.B. 3236, Folio 563 was granted and conveyed by Gordon J. Coyle to Clarence E. Wertz and Elizabeth June Wertz, his wife, and in part binding reversely on the first or North 62 degrees 39 minutes 34 seconds West 269.88 foot line of the land which by deed dated November 22, 1960 and recorded among the aforesaid Land Records in Liber O.T.G. 4847, Folio 730 was granted and conveyed by Gordon J. Coyle to Ignazio Neil Rizzo and Alice Sophia Rizzo, his wife, in all, (3) South 70 degrees 33 minutes 34 seconds East 871.20 feet to a stone found at the end of the first or North 7 degrees 33 minutes 17 seconds East 660.22 foot line of the land which by deed dated February 14, 1956 and recorded among the aforesaid Land Records in Liber G.L.B. 2876, Folio 454 was granted and conveyed by James M. Coyle, et. al. to Howard Dillon, thence leaving the outlines of the abovementioned land conveyed to Rizzo and in part running and binding on the second through fourth lines, inclusive, of the abovementioned land conveyed by Fringer to The

Exhibit A, page 3

2548 2882



Kent-Mar Corporation and in part binding reversely on a part of the first line of the abovementioned land conveyed to Dillon, and in part binding reversely on the second and first lines of land which by deed dated November 5, 1973 and recorded among the aforesaid Land Records in Liber E.H.X., Jr. 5407, Folio 85 was granted and conveyed by Howard Dillon and wife to Sharon M. Lauterbach and husband, the two following courses and distances, viz: (4) South 00 degrees 02 minutes 56 seconds East 660.04 feet to a 6 inch by 6 inch stone found and thence (5) South 50 degrees 41 minutes 19 seconds East 304.20 feet to a point in a bed of Lyons Mill Road, thence leaving the outlines of the abovementioned land conveyed to Dillon and also leaving the outlines of the abovementioned land conveyed to Lauterbach and running and binding on the fifth through ninth lines, inclusive, of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation and in the bed of Lyons Mill Road, the five following courses and distances, viz: (6) South 60 degrees 03 minutes 41 seconds West 759.00 feet, thence (7) South 78 degrees 03 minutes 41 seconds West 346.50 feet, thence (8) South 47 degrees 48 minutes 41 seconds West 488.40 feet, thence (9) South 71 degrees 48 minutes 41 seconds West 264.00 feet, and thence (10) South 85 degrees 59 minutes 36 seconds West 631.32 feet to the end of the fifth or South 13 degrees West 200.00 foot line of the land which by deed dated August 5, 1974 and recorded among the aforesaid Land Records in Liber E.H.X., Jr. 5471, Folio 860 was granted and conveyed by John D. Spangler and Olive R. Spangler, his wife to Kenneth C. Lambert and Lillian Joann Lambert, his wife, thence

Exhibit A, page 4

leaving the bed of Lyons Mill Road and in part running and binding on the tenth and eleventh lines of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation, and in part binding, reversely on the fifth line of said land conveyed to Lambert, and in part binding reversely on the third or South 13 degrees 00 minutes 00 seconds West 426.95 feet, more or less line of the land which by deed dated November 26, 1974 and recorded among the aforesaid Land Records in Liber E.H.K., Jr. 5497, Folio 476 was granted and conveyed by Ernest W. Page and B. Carolyn Page, his wife, to Kenneth C. Lambert and Lillian Joann Lambert, his wife, in all (11) North 04 degrees 54 minutes 39 seconds East 626.69 feet (passing through a 3/4 inch diameter iron pipe found distant 200.00 feet measured in a northeasterly direction on said line from the beginning thereof) to a stone found at the beginning of the twelfth line of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation, thence in part running and binding on said twelfth line, and in part binding reversely on the second line of abovementioned land conveyed by Page to Lambert and in part binding reversely on the fourth line of the land which by deed dated August 8, 1974 and recorded among the Land Records in Liber E.H.K., Jr. 5469, Folio 704 was granted and conveyed by James N. Page and Inez P. Page, his wife to Ernest W. Page and B. Carolyn Page, his wife, in all (12) North 84 degrees 42 minutes 01 second West 207.42 feet to a stone found at the beginning of the thirteenth line of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation, thence leaving the outlines of the abovementioned land

Exhibit A, page 5

conveyed to Page and in part running and binding on the thirteenth line of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation and in part binding on the third or northerly 370 foot more or less line of the land which by deed dated March 11, 1980 and recorded among the aforesaid Land Records in Liber E.H.K., Jr. 6146, Folio 79 was granted and conveyed by Belinda J. Urban to Beesye May Weidman and Catharine Janet Strauss and in part binding reversely on the first or South 05 degrees 48 minutes 46 seconds West 1421.24 foot line of the land which by deed dated August 20, 1987 and recorded among the Land Records in Liber S.M. 7650, Folio 630 was granted and conveyed by Rolling Ridge Joint Venture to Pulte Home Corporation, in all, (13) North 05 degrees 45 minutes 46 seconds East 1796.68 feet to intersect the eighth line of the abovementioned land conveyed by von Gunten to The Kent-Mar Corporation at a granite stone found, thence leaving the outlines of the abovementioned land conveyed from Fringer to The Kent-Mar Corporation and running and binding on a on a part of said eighth line and also binding reversely on the thirteenth line of the abovementioned land conveyed to Pulte Home Corporation, (14) North 71 degrees 01 minute 57 seconds West 1578.76 feet to a standard marker heretofore set at the beginning of the fourth or North 52 degrees East 156-9/12 foot line which by deed dated October 8, 1927 and recorded among the aforesaid Land Records in Liber C.W.C. 649, Folio 577 was granted and conveyed by Charles Page and Julia A. Page to Squire Smith, thence leaving the outlines of the abovementioned land conveyed from von Gunten to The Kent-Mar

Exhibit A, page 6

Corporation and also leaving the outlines of the abovementioned land conveyed to Fulta Home Corporation and running and binding on said fourth line of said land conveyed to Smith, (13) North 45 degrees 43 minutes 31 seconds East 166.80 feet to a stone found at the beginning of the second or North 50 degrees East 46-2/3 perches line of the land which by deed dated September 15, 1975 and recorded among the aforesaid Land Records in Liber E.H.K., Jr. 5379, Folio 601 was granted and conveyed by Anthony J. Nolan, Personal Representative of the Estate of Bridget Nolan to Oskar E. Raucheisen, et al., thence leaving the outlines of the abovementioned land conveyed to Smith and in part running and binding on the second line of the abovementioned land conveyed from von Gunten to The Kent-Mar Corporation, and in part binding on said second line of the abovementioned land conveyed to Raucheisen, et al., and in part binding on the fifth or North 50 degrees East 33-1/3 perch line of the land which by deed dated 1975 and recorded among the aforesaid Land Records in Liber E.H.K., Jr. 5510, Folio 787 was granted and conveyed by Mary S. Eagers to Joseph A. Eagers, Jr., et al, and in part binding reversely on the fourth or South 53 degrees 57 minutes 30 seconds West 533.00 foot line of the land which by deed dated February 19, 1954 and recorded among the aforesaid Land Records in Liber G.L.B. 2463, Folio 467 was granted and conveyed by R. Glenn Watts and Edith Watts, his wife, to Samuel W. von Gunten and Evelyn T. von Gunten, his wife, and in part binding on the eighteenth or North 53 degrees 19 minutes East 76.30 foot line of the land which by deed dated October 16, 1975 and

Exhibit A, page 7

recorded among the aforesaid Land Records in Liber E.H.K., Jr. 5576, Folio 103 was granted and conveyed by Marguerite A. Schoenbarger, under Power of Attorney from Edith Watts to Philip L. Watts, Jr. in all (16) North 45 degrees 48 minutes 56 seconds East 1321.83 feet to a stone marked "2" at the beginning of the abovementioned land conveyed to Watts (passing through two standard markers set and a 3/4 inch iron pipe found; a standard marker at the end of 712.24 feet, a 3/4 inch iron pipe at the end of 1245.06 feet, said distances all being measured on said line from the beginning thereof), said stone also being at the beginning of the sixth or North 15 degrees West 14.4 perch line of the abovementioned land conveyed to Eagers, thence leaving said stone and in part running and binding on the first through fifth lines, inclusive, of the abovementioned land conveyed to Philip L. Watts, Jr., and in part binding on the sixth line of the abovementioned land conveyed to Eagers and in part binding on the outlines of the land owned by Henry Figgs, the five following courses and distances, viz: (17) North 16 degrees 16 minutes 50 seconds West 670.18 feet to a stone marked "3" found, thence (18) North 15 degrees 44 minutes 34 seconds East 141.48 feet to a 3/4 inch diameter iron pipe found, thence (19) South 88 degrees 10 minutes 28 seconds West 1171.75 feet to a 3/4 inch diameter iron pipe found, thence (20) North 31 degrees 49 minutes 58 seconds West 76.09 feet to a 3/4 inch diameter iron pipe found, and thence (21) North 88 degrees 09 minutes 38 seconds East 758.73 feet to a 3/4 inch diameter iron pipe found at the beginning of the sixth line of

Exhibit A, page 8

the abovementioned land conveyed to Watts, thence in part running and binding on the sixth line of said land conveyed to Watts, and in part binding on the eleventh or North 48 degrees 55 minutes East 105 foot line of the land which by deed dated October 16, 1975 and recorded among the aforesaid Land Records in Liber E.H.K., Jr. 5576, Folio 106 was granted and conveyed by Marguerite A. Schoenberger, in all (22) North 41 degrees 23 minutes 39 seconds East 490.68 feet (passing through a standard marker set at the end of 385.72 feet from the beginning hereof), to a one inch diameter iron pipe found at the beginning of said land, conveyed to Schoenberger, said pipe also being at the beginning of the land which by Circuit Court Decree dated June 4, 1974 and recorded among the aforesaid Land Records in Liber E.H.K., Jr. 5451, Folio 901 was granted and conveyed by Marguerite A. Watts Schoenberger (Defendant) to Board of Education of Baltimore County, Maryland (Petitioner), thence running and binding on a part of the first line of said land conveyed to Schoenberger and also binding reversely on the tenth (last) and ninth lines of the abovementioned land conveyed to Board of Education of Baltimore County, (23) South 50 degrees 35 minutes 23 seconds East 1577.13 feet to a point distant 1972.65 feet as measured North 50 degrees 35 minutes 23 seconds West from the abovementioned fragmented stone marked "4", thence leaving the outlines of the abovementioned land conveyed to Schoenberger and the outlines of the abovementioned land conveyed to Board of Education of Baltimore County and running for new lines of division across the abovementioned land conveyed to Schoenberger

Exhibit A, page 9

2024 2025



(of which the land now being described is a part), the two following courses and distances, viz: (24) South 39 degrees 25 minutes 02 seconds West 199.71 feet and thence (25) South 50 degrees 35 minutes 23 seconds East 256.18 feet to intersect the second line of the abovementioned land conveyed to Schoenberger at a point distant 200.80 feet measured in a southwesterly direction on said line from a standard marker now set at the beginning thereof, said point also being on the fourth or North 41-1/2 degrees East 75-3/4 perch line of the abovementioned land conveyed from von Gunten to The Kent-Mar Corporation, thence running and binding reversely on a part of the second line of the abovementioned land conveyed to Schoenberger and on a part of the fourth line of the abovementioned land conveyed from von Gunten to The Kent-Mar Corporation, (26) North 33 degrees 26 minutes 20 seconds East 200.80 feet to intersect the first or South 42 degrees 29 minutes 10 seconds East 400.00 foot line of the land which by deed dated January 30, 1957 and recorded among the aforesaid Land Records in Liber G.L.B. 3104, Folio 41 was granted and conveyed by Edith Watts to Philip L. Watts and Marguerite A. Watts, his wife, at a standard marker now set distant 139.65 feet measured reversely in a northwesterly direction on said first line from the end thereof, thence leaving the outlines of the abovementioned land conveyed to Schoenberger and in part running and binding on part of the fifth line of the abovementioned land conveyed from von Gunten to The Kent-Mar Corporation on part of the first line of the abovementioned land conveyed from von Gunten to The Kent-Mar

Exhibit A, page 10

Corporation in part binding on part of the first line of the abovementioned land conveyed to Watts and in part binding on the eleventh and part of the twelfth lines of the abovementioned land conveyed to Baltimore County, Maryland, in all, (27) South 50 degrees 35 minutes 23 seconds East 1129.73 feet to the point of beginning; containing 185.387 acres of land, more or less, as surveyed by Daft-MoCune-Walker, Inc. in January, 1988.

Being and comprising all of the lands conveyed unto Watts Road Land Limited Partnership, a Maryland Limited Partnership, pursuant to the following Deeds of Conveyance:

a) Deed dated May 31, 1988 and recorded among the Land Records of Baltimore County, Maryland in Liber 7877, Folio 583 from Philip L. Watts, Jr. as to 15.838 acres, more or less;

b) Deed dated June 27, 1988 and recorded among the Land Records of Baltimore County, Maryland in Liber 7905, Folio 349 from Elmer C. Hertz and Esther M. Hertz as to 1.839 acres, more or less.

c) Deed dated June 30, 1988 and recorded among the Land Records of Baltimore County, Maryland in Liber 7937, Folio 008 from Marguerite

Exhibit A, page 11

A. Watts (Known of record as Marguarita A. Watts Schoenberger) as to 11.509 acres, more or less;

d) Deed dated September 22, 1988 and recorded among the Land Records of Baltimore County, Maryland in liber 7980, folio 690 from Samuel W. Von Gunten and Evelyn Theresa Von Gunten as to 10.167 acres, more or less.

e) Deed dated September 22, 1988 and recorded among the Land Records of Baltimore County, Maryland in liber 7980, folio 699 from Kent-Mar Corporation, a Maryland Corporation, as to 146.034 acres, more or less.

BEING the same property which by Deed dated November 2, 1993 and recorded among the Land Records of Baltimore County, Maryland in Liber 10129, folio 495 was granted and conveyed by David E. Belcher, Trustee.

SAVING AND EXCEPTING all those four parcels shown and described on the Final Subdivision Plats entitled:

(1) "Resubdivision Section 1-A - Plat 1 of 2, THE VILLAGES OF LYONSFIELD RUN", as recorded among the Plat Book Records of Baltimore County, Maryland in Liber SM66, folio 35; and

(2) "Resubdivision Section 1-A - Plat 2 of 2, THE VILLAGES OF LYONSFIELD RUN", as recorded among the Plat Book Records of

Exhibit A - page 12

3348 3331

Baltimore County, Maryland in Liber SM66, folio 36; and

(3) "Resubdivision Section 1-B - Plat 1 of 2, THE VILLAGES OF LYONSFIELD RUN", as recorded among the Plat Book Records of Baltimore County, Maryland in Liber SM66, folio 37; and

(4) "Resubdivision Section 1-B - Plat 2 of 2, THE VILLAGES OF LYONSFIELD RUN", as recorded among the Plat Book Records of Baltimore County, Maryland in Liber SM66, folio 38.

This property together with the property conveyed to PHIC Section I, Inc. in a Deed recorded simultaneously herewith comprise the entire property conveyed to FIRST HOTEL INVESTMENT CORPORATION by Deed dated November 2, 1993 and recorded among the Land Records of Baltimore County, Maryland in Liber 10129, folio 495.

Exhibit A, page 13

2013 2013

LLOYD W. JONES  
Director  
PAUL B. ANDERSON  
Administrative



CHARTER DIVISION  
Room 809  
301 West Preston Street  
Baltimore, Maryland 21201

DOCUMENT CODE 02-22 BUSINESS CODE 04 COUNTY 63  
# \_\_\_\_\_ P.A. \_\_\_\_\_ Religious \_\_\_\_\_ Close \_\_\_\_\_ Stock ☒ Nonstock

Merging (Transferor) \_\_\_\_\_ Surviving (Transferee) \_\_\_\_\_

CODE AMOUNT FEE REMITTED

10 30 Expedited Fee  
20 20 Organ. & Capitalization  
61 20 Rec. Fee (Arts. of Inc.)  
62 \_\_\_\_\_ Rec. Fee (Amendment)  
63 \_\_\_\_\_ Rec. Fee (Merger, Consol.)  
64 \_\_\_\_\_ Rec. Fee (Transfer)  
65 \_\_\_\_\_ Rec. Fee (Dissolution)  
66 \_\_\_\_\_ Rec. Fee (Revival)  
52 \_\_\_\_\_ Foreign Qualification  
50 \_\_\_\_\_ Cert. of Qual. or Reg.  
51 \_\_\_\_\_ Foreign Name Registration  
13 \_\_\_\_\_ Certified Copy  
56 \_\_\_\_\_ Penalty  
54 \_\_\_\_\_ For. Supplemental Cert.  
53 \_\_\_\_\_ Foreign Resolution  
73 \_\_\_\_\_ Certificate of Conveyance

(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  
\_\_\_\_\_ Other Change

75 \_\_\_\_\_ Special Fee  
80 \_\_\_\_\_ For. Limited Partnership  
83 \_\_\_\_\_ Cert. Limited Partnership  
84 \_\_\_\_\_ Amendment to Limited Partnership  
85 \_\_\_\_\_ Termination of Limited Partnership  
21 \_\_\_\_\_ Recordation Tax  
22 \_\_\_\_\_ State Transfer Tax  
23 \_\_\_\_\_ Local Transfer Tax  
31 \_\_\_\_\_ Corp. Good Standing  
67 \_\_\_\_\_ Cert. Limited Liability Partnership  
87 \_\_\_\_\_ Limited Part. Good Standing  
69 \_\_\_\_\_ Foreign Limited Liability Partnership  
600 \_\_\_\_\_ Returns  
68 \_\_\_\_\_ LLP Amendment - Domestic  
74 \_\_\_\_\_ LLP Amendment - Foreign  
70 \_\_\_\_\_ Change of P.O., R.A. or R.A.A.  
91 \_\_\_\_\_ Amend/Cancellation, For. Limited Part.  
99 \_\_\_\_\_ Art. of Organization (LLC)  
98 \_\_\_\_\_ LLC Amend, Diss, Continuation  
97 \_\_\_\_\_ LLC Cancellation  
96 \_\_\_\_\_ Registration Foreign LLC  
94 \_\_\_\_\_ Foreign LLC Supplemental  
92 \_\_\_\_\_ LLC Good Standing (short)  
\_\_\_\_\_ Other

CODE 096

ATTENTION: CATHERINE WARD

MAIL TO ADDRESS: \_\_\_\_\_

TOTAL FEES 70 US\$  
\_\_\_\_\_ Check \_\_\_\_\_ Cash

NOTE: \_\_\_\_\_

\_\_\_\_\_ Documents on \_\_\_\_\_ checks

APPROVED BY: [Signature]

3648 2893

ARTICLES OF INCORPORATION  
OF  
VILLAGES OF WINTERSET COMMUNITY ASSOCIATION,  
INC.

APPROVED AND RECEIVED FOR RECORD BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION  
OF MARYLAND SEPTEMBER 22, 1994 AT 3:09 O'CLOCK P. M. AS IN CONFORMITY  
WITH LAW AND ORDERED RECORDED.

ORGANIZATION AND  
CAPITALIZATION FEE PAID:

\$ 20.00

RECORDING  
FEE PAID:

\$ 20.00

SPECIAL  
FEE PAID:

\$

D3975711

XX

IT IS HEREBY CERTIFIED, THAT THE WITHIN INSTRUMENT, TOGETHER WITH ALL INDORSEMENTS THEREON, HAS  
BEEN RECEIVED, APPROVED AND RECORDED BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND

REESE AND CARNEY  
10715 CHARTER DRIVE  
COLUMBIA

MD 21044



064C3085928

A 465606

RECORDED IN THE RECORDS OF THE  
STATE DEPARTMENT OF ASSESSMENTS  
AND TAXATION OF MARYLAND IN LIBER. FOLIO.  
354-13 1217-1.



## VILLAGES OF WINTERSET COMMUNITY ASSOCIATION, INC.

### Informal Organizational Action of the Board of Directors

As of this 23rd day of September, 1994, the undersigned, constituting all of the members of the Board of Directors of the Villages of Winterset Community Association, Inc., a Maryland corporation (the "Corporation"), in accordance with Section 2-408(c) of the Corporations and Associations Article of the Annotated Code of Maryland, do hereby take the actions below set forth, and to evidence their waiver of any right to dissent from such actions, do hereby consent as follows:

**RESOLVED:** That the Articles of Incorporation of this Corporation filed with the State Department of Assessments and Taxation on September 22, 1994, and attached hereto and incorporated by reference herein be and the same are hereby approved and accepted.

**RESOLVED:** That the By-Laws attached hereto and incorporated by reference herein be and the same are hereby declared to be the By-Laws of the Corporation.

**RESOLVED:** That the following persons be and they are hereby elected as officers of the Corporation in the respective capacities set forth after their several names, the term of office of each person to be until the first meeting of the Board of Directors and until their respective successors shall be elected and qualified:

T. Kevin Carney, President  
Robert C. Goodier, Secretary  
Edward T. Brush, Vice-President/Treasurer

**RESOLVED:** That the seal of the Corporation shall consist of a circular impression bearing around the outside rim the words "Villages of Winterset Community Association Inc.", the word "Maryland", and in the center the date "1994".

**RESOLVED:** That the Provident Bank be and it hereby is designated as a depository of this Corporation, and that the corporate banking resolutions of said bank, attached to these minutes and incorporated herein, be and the same are hereby unanimously adopted and approved.

**RESOLVED:** That the Treasurer be and he is hereby authorized and directed to pay all fees and expenses incident to and necessary for the organization and qualification of the Corporation, including, without limitation, all legal and accounting fees and costs to procure proper corporate books.

**RESOLVED:** That the appropriate officers of the Corporation be and they are hereby authorized to make, fill out and file applications for such federal, state and local permits, licenses, privileges and/or stamps as may be required by law in order to carry on the operations of the Corporation's business.

**RESOLVED:** That the Corporation is a non-stock, membership corporation for the calendar year 1994 and each year thereafter.


**RESOLVED:** That the Corporation open and maintain, in its name, bank accounts at various banking institutions as may be needed from time to time (the "Banks"), and that the withdrawal of funds from said accounts shall be subject to the order of T. Kevin Carney, President of the Corporation, and such other individuals as the Board of Directors shall designate from time to time.

**RESOLVED:** That the President and Secretary of the Corporation be and they are hereby authorized to execute for and on behalf of the Corporation, the Banks' form of Certified Corporate Banking and Borrowing Resolutions, copies of which shall be attached hereto, and to perform such other acts and deeds as may be necessary and proper to implement the foregoing resolution.

**RESOLVED:** That any and all actions taken or contracts entered into heretofore by an officer and/or director for the Corporation, either as officer and/or director, as well as any and all actions taken or contracts entered into by said persons as individuals, acting for the Corporation, be and are hereby ratified, approved and confirmed by the Corporation, and all contracts adopted as though said individual had at such time full power and authority to act for the Corporation and in the same manner as if each and every act had been done pursuant to the specific authorization of the Corporation.

This Informal Action of the Board of Directors may be executed in counterparts.

WITNESS our signatures as of the day and year first above written.

  
T. Kevin Carney

  
Robert C. Goodier

  
~~Gary Goodier~~  
ED BRUSH

**ARTICLES OF AMENDMENT**  
**OF THE**  
**ARTICLES OF INCORPORATION**  
**OF THE**  
**VILLAGES OF WINTERSET COMMUNITY ASSOCIATION, INC.**

**FIRST:** The name of the corporation (hereinafter sometimes referred to as the "Corporation") is:

Villages of Winterset Community Association, Inc.

**SECOND:** The Articles of Incorporation are hereby amended to change the name by deleting the present Article FIVE and inserting a new Article FIVE as follows:

Every person or entity who is a record owner of any Lot subject to the Declaration, including contract sellers, shall be a member of the Community Association and shall have the voting rights therein; provided that any such person or entity who or which holds such interest merely as security for the performance of an obligation shall not be a member. Membership is appurtenant to, and inseparable from, ownership of any Lot which is subject to assessment by the Community Association.

(a) The Community Association shall have four (4) classes of voting membership;

(1) Class A Membership Class A Members shall initially be each Village Association and each Owner of any Apartment Property with the exception of Declarant and the Builders for so long as there exists a Class B membership. Each Delegate will be entitled to cast the votes allocated below:

(a) Delegates for any Village Association shall be entitled to cast one (1) vote for each Single Family Lot and/or condominium within such Village Association.

(b) Each Delegate for Apartment Property Owner(s) shall be entitled to cast one (1) vote for each Apartment Unit built on the Apartment Property.

(2) Class B Membership. The Class B Members shall be the Declarant and Builders, who shall be entitled to three (3) votes for each Lot or Condominium owned, by Declarant and Builders for which assessments have commenced. For any Unsubdivided Property which is subject to this Declaration, there shall be three (3) votes for each dwelling unit allocated to the Unsubdivided Property as shown on the CRG Plan approved by Baltimore County on January 7, 1988 in Case No. 87031, as the same may be amended from time to time. The Class B membership shall cease and be converted to Class A membership with respect to the property shown on Exhibit A on the happening of either of the following events, whichever occurs earlier:

(a) Such time as the total number of votes entitled to be cast by Class A members of the Community Association equals or exceeds the total number of votes entitled to be cast by the Class B members of the Association; or

(b) Ten (10) years from the date hereof.

(3) Class C Membership. The Class C Member shall be Declarant. The Class C membership shall not be considered a part of the voting power of the Community Association and Declarant shall not be entitled to exercise any Class C votes except for the purpose of electing those directors which the Class C membership is entitled to elect hereunder. Until the latter to occur of the following events, the Class C Member shall be entitled to solely elect a majority of the members of the Community Board:

(a) The tenth (10th) anniversary of the first closing of the sale of a Lot to an Owner (other than a Builder); or

(b) The date on which the termination of the Class C membership is approved by the vote of Delegates casting a majority of the total voting power of the Community Association residing in Owners other than Declarant and all Builders. Upon termination of the Class C membership, then, as long as two or more classes of Members in the Community Association exist, no action by the Community Association that must have the prior approval of the Community Association Members shall be deemed approved by the Members unless approved by the appropriate percentage of each of the remaining classes of Members. Upon conversion of all Class B Members to Class A members and termination of the Class C membership, any action by the Community Association that must have the prior approval of the Community Association Members will require approval by at least fifty-one percent (51%) of the total voting power other than votes cast by Declarant.

(4) Class D Member. The Class D Members shall initially be each Village Association which contains Single Family Lots and/or Condominiums. Each Delegate shall be entitled to cast one (1) vote for each Single Family Lot and/or Condominium within such Village Association. Notwithstanding the foregoing, the Class D membership shall not be considered a part of the voting power of the Community Association and the Class D members shall not be entitled to exercise any Class D Votes for any reason whatsoever, except for approval of increased Recreational Facility Assessments as set forth in Section 6.5 of this Declaration for which only Class D and Class C Members shall be entitled to vote. Further, Declarant, and after the conversion of the Class B membership, the Community Board, shall have the right to expand the Class D membership to include any Apartment Property in The Villages of Winterset in which case each Delegate for any such Apartment Property shall be entitled to cast one (1) vote in accordance with Section 6.5 of this Declaration for each Apartment Unit included within the Apartment Property. An Apartment Property which is converted to a condominium shall always be treated as an Apartment Property for purposes of Class D Membership.

(b) If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, holds the record title to and Lot, all of the same, as a unit, and not otherwise shall be deemed a single member of the Community Association. The vote of any member comprised of two (2) or more persons, firms, corporations, trustees, or other legal entities, or any other combination thereof, shall be cast in the manner provided for in these Articles and/or the Bylaws of the Community Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per Lot for each Lot owned by them. If only one such constituent votes, he, she or it may cast the entire vote of the member and such vote shall bind all such constituents.

THIRD: Exhibit A to the Articles of Incorporation is hereby deleted and a new Exhibit A, attached hereto and incorporated herein shall be substituted in its place and stead.

**FOURTH:** The Amendment was advised by the Board of Directors and approved by the Members.

IN WITNESS WHEREOF, the Villages of Winterset Community Association, Inc. has caused these Articles of Amendment to be signed in its name and on its behalf by its President, T. Kevin Carney, and its President acknowledges, under penalties of perjury, that the matters and facts set forth above are true in all material respects to the best of his knowledge, information and belief.

Dated: 3/23/95

ATTEST:

VILLAGES OF WINTERSET COMMUNITY  
ASSOCIATION, INC.

Bob Goodier  
Secretary

T. Kevin Carney  
President

JAUSERS\CFW\WPDATA\CA\ARTAME.WIN

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DEAR MR./MS. CLERK: UPON RECORDATION PLEASE RETURN TO:

REESE & CARNEY  
10715 Charter Drive, Suite 200  
Columbia, Maryland 21044  
ATTN: Cathleen F. Ward

Legal Description of 185.387 Acres

Second Election District, Baltimore County, Maryland

Beginning for the same at a 3/4 inch diameter iron pin with a 2 inch diameter aluminum cap marked "Daft-McCune-Walker, Inc. Property Marker C-99" affixed (hereinafter referred to as a standard marker) now set in the fifth or South 43-1/4 degrees East 94.4 perch line of the land which by deed dated December 20, 1972 and recorded among the Land Records of Baltimore County, Maryland in Liber E.H.K., Jr. 5325, Folio 6 was granted and conveyed by Fred John von Gunten to The Kent-Mar Corporation, at a point distant 428.00 feet measured reversely in a northwesterly direction on said fifth line from a fragmented stone marked "4" found at the end thereof, said marker also being on the twelfth or South 50 degrees 37 minutes 36 seconds East 833.68 foot line of the land which by deed dated July 17, 1974 and recorded among the aforesaid Land Records in Liber O.T.G. 5708, Folio 8 was granted and conveyed by Board of Education of Baltimore County to Baltimore County, Maryland, said marker also being at the end of the fourth or North 37 degrees 28 minutes East 1340 foot 5 inch line of the land which by deed dated February 7, 1944 and recorded among the aforesaid Land Records in Liber R.J.S. 1325, Folio 81 was granted and conveyed by Christ von Gunten and Rosina von Gunten, his wife to Harry E. Lathe and Mary E. Lathe, his wife, thence leaving said point of beginning and said fifth line of the abovementioned land



the abovementioned land conveyed to Baltimore County, Maryland and running and binding reversely on said fourth line of the abovementioned land conveyed to Lathe, with all courses of this description referred to the Grid Meridian established in the Baltimore County Metropolitan District, (1) South 32 degrees 08 minutes 37 seconds West 1356.67 feet to intersect the eighth or North 63-1/4 degrees West 205-1/2 perch line of the abovementioned land conveyed to The Kent-Mar Corporation at a standard marker now set distant 290.50 feet measured in a northwesterly direction on said line from a stone marked "6" found at the beginning thereof, said marker also being on the fourteenth or South 65 degrees East 73.55 perch line of the land which by deed dated February 4, 1966 and recorded among the aforesaid Land Records in Liber O.T.G. 4579, Folio 207 was granted and conveyed by Alice D. Fringer, et. al. to The Kent-Mar Corporation, thence in part running and binding reversely on a part of said eighth line of the abovementioned land conveyed by von Gunten to The Kent-Mar Corporation, and in part binding reversely on the third line of the abovementioned land conveyed to Lathe, and in part binding on a part of the fourteenth line of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation, in all (2) South 71 degrees 37 minutes 21 seconds East 290.50 feet to the stone marked "6" found at the beginning of said third line of the abovementioned land conveyed to Lathe, thence leaving the outlines of the abovementioned land conveyed by von Gunten to the Kent-Mar Corporation and leaving the abovementioned land conveyed to Lathe and in part running and binding on the first

line of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation and in part binding reversely on the third or North 62 degrees 39 minutes 34 seconds West 348.12 foot line of the land which by deed dated May 31, 1974 and recorded among the aforesaid Land Records in Liber E.H.X., Jr. 5451, Folio 179 was granted and conveyed by Donna May Johnston, Personal Representative of the Estate of John William Johnston to Donna May Johnston, and in part binding reversely on the third or North 62 degrees 39 minutes 34 seconds West 254.84 foot line of the land which by deed dated September 24, 1957 and recorded among the aforesaid Land Records in Liber G.L.B. 3236, Folio 563 was granted and conveyed by Gordon J. Coyle to Clarence E. Wertz and Elizabeth June Wertz, his wife, and in part binding reversely on the first or North 62 degrees 39 minutes 34 seconds West 269.88 foot line of the land which by deed dated November 22, 1960 and recorded among the aforesaid Land Records in Liber O.T.G. 4847, Folio 730 was granted and conveyed by Gordon J. Coyle to Ignazio Neil Rizzo and Alice Sophia Rizzo, his wife, in all, (3) South 70 degrees 33 minutes 34 seconds East 871.20 feet to a stone found at the end of the first or North 7 degrees 33 minutes 17 seconds East 660.22 foot line of the land which by deed dated February 14, 1956 and recorded among the aforesaid Land Records in Liber G.L.B. 2876, Folio 454 was granted and conveyed by James M. Coyle, et. al. to Howard Dillon, thence leaving the outlines of the abovementioned land conveyed to Rizzo and in part running and binding on the second through fourth lines, inclusive, of the abovementioned land conveyed by Fringer to The

Kent-Mar Corporation and in part binding reversely on a part of the first line of the abovementioned land conveyed to Dillon, and in part binding reversely on the second and first lines of land which by deed dated November 5, 1973 and recorded among the aforesaid Land Records in Liber E.B.K., Jr. 5407, Folio 85 was granted and conveyed by Howard Dillon and wife to Sharon M. Lauterbach and husband, the two following courses and distances, viz: (4) South 00 degrees 02 minutes 56 seconds East 660.04 feet to a 6 inch by 6 inch stone found and thence (5) South 50 degrees 41 minutes 19 seconds East 304.20 feet to a point in a bed of Lyons Mill Road, thence leaving the outlines of the abovementioned land conveyed to Dillon and also leaving the outlines of the abovementioned land conveyed to Lauterbach and running and binding on the fifth through ninth lines, inclusive, of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation and in the bed of Lyons Mill Road, the five following courses and distances, viz: (6) South 60 degrees 03 minutes 41 seconds West 759.00 feet, thence (7) South 78 degrees 03 minutes 41 seconds West 346.50 feet, thence (8) South 47 degrees 48 minutes 41 seconds West 488.40 feet, thence (9) South 71 degrees 48 minutes 41 seconds West 264.00 feet, and thence (10) South 85 degrees 59 minutes 36 seconds West 631.32 feet to the end of the fifth or South 13 degrees West 200.00 foot line of the land which by deed dated August 5, 1974 and recorded among the aforesaid Land Records in Liber E.B.K., Jr. 5471, Folio 860 was granted and conveyed by John D. Spangler and Olive R. Spangler, his wife to Kenneth C. Lambert and Lillian Joann Lambert, his wife, thence

leaving the bed of Lyons Mill Road and in part running and binding on the tenth and eleventh lines of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation, and in part binding reversely on the fifth line of said land conveyed to Lambert, and in part binding reversely on the third or South 13 degrees 00 minutes 00 seconds West 426.95 foot, more or less line of the land which by deed dated November 26, 1974 and recorded among the aforesaid Land Records in Liber E.E.K., Jr. 5497, Folio 476 was granted and conveyed by Ernest W. Page and B. Carolyn Page, his wife, to Kenneth C. Lambert and Lillian Joann Lambert, his wife, in all (11) North 04 degrees 54 minutes 39 seconds East 626.69 feet (passing through a 3/4 inch diameter iron pipe found distant 200.00 feet measured in a northeasterly direction on said line from the beginning thereof) to a stone found at the beginning of the twelfth line of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation, thence in part running and binding on said twelfth line, and in part binding reversely on the second line of abovementioned land conveyed by Page to Lambert and in part binding reversely on the fourth line of the land which by deed dated August 8, 1974 and recorded among the Land Records in Liber E.E.K., Jr. 5469, Folio 704 was granted and conveyed by James N. Page and Inez P. Page, his wife to Ernest W. Page and B. Carolyn Page, his wife, in all (12) North 84 degrees 42 minutes 01 second West 207.42 feet to a stone found at the beginning of the thirteenth line of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation, thence leaving the outlines of the abovementioned land

conveyed to Page and in part running and binding on the thirteenth line of the abovementioned land conveyed by Fringer to The Kent-Mar Corporation and in part binding on the third or northerly 370 foot more or less line of the land which by deed dated March 11, 1980 and recorded among the aforesaid Land Records in Liber E.H.K., Jr. 6146, Folio 79 was granted and conveyed by Belinda J. Urban to Bessye May Weidman and Catherine Janet Strauss and in part binding reversely on the first or South 05 degrees 48 minutes 46 seconds West 1421.24 foot line of the land which by deed dated August 20, 1987 and recorded among the Land Records in Liber S.M. 7650, Folio 630 was granted and conveyed by Rolling Ridge Joint Venture to Pulte Home Corporation, in all, (13) North 05 degrees 45 minutes 46 seconds East 1796.68 feet to intersect the eighth line of the abovementioned land conveyed by von Gunten to The Kent-Mar Corporation at a granite stone found, thence leaving the outlines of the abovementioned land conveyed from Fringer to The Kent-Mar Corporation and running and binding on a on a part of said eighth line and also binding reversely on the thirteenth line of the abovementioned land conveyed to Pulte Home Corporation, (14) North 71 degrees 01 minute 57 seconds West 1578.76 feet to a standard marker heretofore set at the beginning of the fourth or North 52 degrees East 156-9/12 foot line which by deed dated October 8, 1927 and recorded among the aforesaid Land Records in Liber C.W.C. 649, Folio 577 was granted and conveyed by Charles Page and Julia A. Page to Squire Smith, thence leaving the outlines of the abovementioned land conveyed from von Gunten to The Kent-Mar

Corporation and also leaving the outlines of the abovementioned land conveyed to Pulte Home Corporation and running and binding on said fourth line of said land conveyed to Smith, (15) North 45 degrees 43 minutes 31 seconds East 166.80 feet to a stone found at the beginning of the second or North 50 degrees East 46-2/3 perches line of the land which by deed dated September 15, 1975 and recorded among the aforesaid Land Records in Liber E.E.K., Jr. 5579, Folio 601 was granted and conveyed by Anthony J. Nolan, Personal Representative of the Estate of Bridget Nolan to Oskar E. Raucheisen, et al., thence leaving the outlines of the abovementioned land conveyed to Smith and in part running and binding on the second line of the abovementioned land conveyed from von Gunten to The Kent-Mar Corporation, and in part binding on said second line of the abovementioned land conveyed to Raucheisen, et al., and in part binding on the fifth or North 50 degrees East 33-1/3 perch line of the land which by deed dated 1975 and recorded among the aforesaid Land Records in Liber E.E.K., Jr. 5510, Folio 787 was granted and conveyed by Mary S. Eagers to Joseph A. Eagers, Jr., et al, and in part binding reversely on the fourth or South 53 degrees 57 minutes 30 seconds West 533.00 foot line of the land which by deed dated February 19, 1954 and recorded among the aforesaid Land Records in Liber G.L.B. 2463, Folio 467 was granted and conveyed by R. Glenn Watts and Edith Watts, his wife, to Samuel W. von Gunten and Evelyn T. von Gunten, his wife, and in part binding on the eighteenth or North 53 degrees 19 minutes East 76.30 foot line of the land which by deed dated October 16, 1975 and



recorded among the aforesaid Land Records in Liber E.H.K., Jr. 5576, Folio 103 was granted and conveyed by Marguerite A. Schoenberger, under Power of Attorney from Edith Watts to Philip L. Watts, Jr. in all (16) North 45 degrees 48 minutes 56 seconds East 1321.83 feet to a stone marked "2" at the beginning of the abovementioned land conveyed to Watts (passing through two standard markers set and a 3/4 inch iron pipe found; a standard marker at the end of 712.24 feet, a 3/4 inch iron pipe at the end of 1246.06 feet, said distances all being measured on said line from the beginning thereof), said stone also being at the beginning of the sixth or North 15 degrees West 14.4 perch line of the abovementioned land conveyed to Eagers, thence leaving said stone and in part running and binding on the first through fifth lines, inclusive, of the abovementioned land conveyed to Philip L. Watts, Jr., and in part binding on the sixth line of the abovementioned land conveyed to Eagers and in part binding on the outlines of the land owned by Henry Figgs, the five following courses and distances, viz: (17) North 16 degrees 16 minutes 50 seconds West 670.18 feet to a stone marked "3" found, thence (18) North 15 degrees 44 minutes 34 seconds East 141.48 feet to a 3/4 inch diameter iron pipe found, thence (19) South 88 degrees 10 minutes 28 seconds West 1171.75 feet to a 3/4 inch diameter iron pipe found, thence (20) North 31 degrees 49 minutes 58 seconds West 76.09 feet to a 3/4 inch diameter iron pipe found, and thence (21) North 88 degrees 09 minutes 38 seconds East 758.73 feet to a 3/4 inch diameter iron pipe found at the beginning of the sixth line of

the abovementioned land conveyed to Watts, thence in part running and binding on the sixth line of said land conveyed to Watts, and in part binding on the eleventh or North 48 degrees 55 minutes East 105 foot line of the land which by deed dated October 16, 1975 and recorded among the aforesaid Land Records in Liber E.E.K., Jr. 5576, Folio 106 was granted and conveyed by Marguerite A. Schoenberger, in all (22) North 41 degrees 23 minutes 39 seconds East 490.68 feet (passing through a standard marker set at the end of 385.72 feet from the beginning hereof), to a one inch diameter iron pipe found at the beginning of said land, conveyed to Schoenberger, said pipe also being at the beginning of the land which by Circuit Court Decree dated June 4, 1974 and recorded among the aforesaid Land Records in Liber E.E.K., Jr. 5451, Folio 901 was granted and conveyed by Marguerite A. Watts Schoenberger (Defendant) to Board of Education of Baltimore County, Maryland (Petitioner), thence running and binding on a part of the first line of said land conveyed to Schoenberger and also binding reversely on the tenth (last) and ninth lines of the abovementioned land conveyed to Board of Education of Baltimore County, (23) South 50 degrees 35 minutes 23 seconds East 1577.13 feet to a point distant 1972.65 feet as measured North 50 degrees 35 minutes 23 seconds West from the abovementioned fragmented stone marked "4", thence leaving the outlines of the abovementioned land conveyed to Schoenberger and the outlines of the abovementioned land conveyed to Board of Education of Baltimore County and running for new lines of division across the abovementioned land conveyed to Schoenberger

(of which the land now being described is a part), the two following courses and distances, viz: (24) South 39 degrees 25 minutes 02 seconds West 199.71 feet and thence (25) South 50 degrees 35 minutes 23 seconds East 296.18 feet to intersect the second line of the abovementioned land conveyed to Schoenberger at a point distant 200.80 feet measured in a southwesterly direction on said line from a standard marker now set at the beginning thereof, said point also being on the fourth or North 41-1/2 degrees East 75-3/4 perch line of the abovementioned land conveyed from von Gunten to The Kent-Mar Corporation, thence running and binding reversely on a part of the second line of the abovementioned land conveyed to Schoenberger and on a part of the fourth line of the abovementioned land conveyed from von Gunten to The Kent-Mar Corporation, (26) North 33 degrees 26 minutes 20 seconds East 200.80 feet to intersect the first or South 42 degrees 29 minutes 10 seconds East 400.00 foot line of the land which by deed dated January 30, 1957 and recorded among the aforesaid Land Records in Liber G.L.B. 3104, Folio 41 was granted and conveyed by Edith Watts to Philip L. Watts and Marguerite A. Watts, his wife, at a standard marker now set distant 139.65 feet measured reversely in a northwesterly direction on said first line from the end thereof, thence leaving the outlines of the abovementioned land conveyed to Schoenberger and in part running and binding on part of the fifth line of the abovementioned land conveyed from von Gunten to The Kent-Mar Corporation on part of the first line of the abovementioned land conveyed from von Gunten to The Kent-Mar

Corporation in part binding on part of the first line of the abovementioned land conveyed to Watts and in part binding on the eleventh and part of the twelfth lines of the abovementioned land conveyed to Baltimore County, Maryland, in all, (27) South 50 degrees 35 minutes 23 seconds East 1129.73 feet to the point of beginning; containing 185.387 acres of land, more or less, as surveyed by Daft-McCune-Walker, Inc. in January, 1988.

August 22, 1994

PROPERTY DESCRIPTION

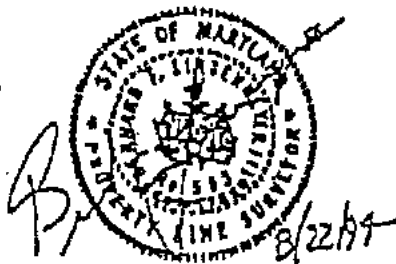
MARGUERITE A. WATTS SCHOENBERGER PROPERTY

Beginning for the same at the beginning of the Second or North 47°30'50" East 105.10 feet line of that parcel of land which by Deed dated January 30, 1957 as recorded among the Land Records of Baltimore County, Maryland in Liber G.L.B. No. 3104 folio 041 was conveyed by Edith Watts to Philip L. Watts and Marguerite A. Watts, his wife, thence binding upon said line and an extension thereof, as now surveyed, all bearing referenced to Baltimore County Metropolitan District Grid Meridian, and binding upon the outline of lands of Baltimore County, Maryland the following three (3) and courses and distances:

1. North 39°25'02" East 310.00 feet to a concrete monument (found); thence,
  2. North 50°34'01" East 414.92 feet to a concrete monument (found); thence,
  3. South 39°25'02" East 310.16 feet to a point; thence,
  4. South 39°25'02" East 199.71 feet to a point; thence,
  5. South 50°35'23" East 296.18 feet to a point; thence,
  6. North 33°26'20" East 200.80 feet to a point on the first line of aforesaid Deed, thence binding upon said line;
  7. South 50°35'23" East 139.63 feet to the point of beginning.
- Containing 4.2635 acres of land, more or less.

page 2  
August 22, 1994  
PROPERTY DESCRIPTION  
MARGUERITE A. WATTS SCHOENBERGER PROPERTY

Being all that parcel of land which by Deed dated January 30, 1957 as recorded among the Land Records of Baltimore County, Maryland in Liber G.L.B. No. 3104 folio 041 was conveyed by Edith Watts to Philip L. Watts and Marguerite A. Watts, his wife, and a part of those parcels of land which by Deed dated October 16, 1975 as recorded among the Land Records of Baltimore County, Maryland in Liber E.R.K., Jr., No. 5576 folio 106 was conveyed by Marguerite A. Schoenberger to Marguerite A. Watts Schoenberger and by Deed dated August 1, 1970 as recorded among the Land Records of Baltimore County, Maryland in Liber O.T.G. No. 5114 folio 017 was conveyed by Edith Watts to Philip L. Watts and Marguerite A. Watts, his wife.





**Insurance Dec Page**  
**The Villages of Winterset Section 1B Homeowners Association Inc.**



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/19/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Arthur J. Gallagher Risk Management Services, Inc. 4064 Colony Road, Ste. 450 Charlotte NC 28211-3784	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2"><b>CONTACT NAME:</b> Monica Haggist</td> </tr> <tr> <td><b>PHONE (A/C, No, Ext):</b> 704-602-3827</td> <td><b>FAX (A/C, No):</b> 704-362-1997</td> </tr> <tr> <td colspan="2"><b>E-MAIL ADDRESS:</b> Monica_Haggist@ajg.com</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td><b>INSURER A:</b> Foremost Insurance Co. Grand Rapids, MI</td> <td>11185</td> </tr> <tr> <td><b>INSURER B:</b></td> <td></td> </tr> <tr> <td><b>INSURER C:</b></td> <td></td> </tr> <tr> <td><b>INSURER D:</b></td> <td></td> </tr> <tr> <td><b>INSURER E:</b></td> <td></td> </tr> <tr> <td><b>INSURER F:</b></td> <td></td> </tr> </table>	<b>CONTACT NAME:</b> Monica Haggist		<b>PHONE (A/C, No, Ext):</b> 704-602-3827	<b>FAX (A/C, No):</b> 704-362-1997	<b>E-MAIL ADDRESS:</b> Monica_Haggist@ajg.com		INSURER(S) AFFORDING COVERAGE	NAIC #	<b>INSURER A:</b> Foremost Insurance Co. Grand Rapids, MI	11185	<b>INSURER B:</b>		<b>INSURER C:</b>		<b>INSURER D:</b>		<b>INSURER E:</b>		<b>INSURER F:</b>	
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<b>INSURED</b> VILLOFW-03 Villages of Winterset 1B C/O American Community Management 7484 Candlewood Rd., Ste. H Columbia MD 21045																					

**COVERAGES****CERTIFICATE NUMBER:** 905395328**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS																
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**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

All unit owners/borrowers needs an HO3 insurance policy for building coverage. This policy covers 100% RC Common element/sign only, NO individual unit owners coverage provided. Total #of units 152. American Community Management is listed as additional insured with respect to general liability and crime coverage as employee per signed agreement.

**EVIDENCE OF INSURANCE:** If you need to make a change fax request to 704.362.1997. **INCLUDE:** named of the homeowners association, mortgage clause with loan number and unit owners names with address.

**CERTIFICATE HOLDER****CANCELLATION**

American Community Management Inc 7484 Candlewood Rd., Ste. H Attn: Michelle Nicholson Hanover MD 21076 USA	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p><b>AUTHORIZED REPRESENTATIVE</b></p>
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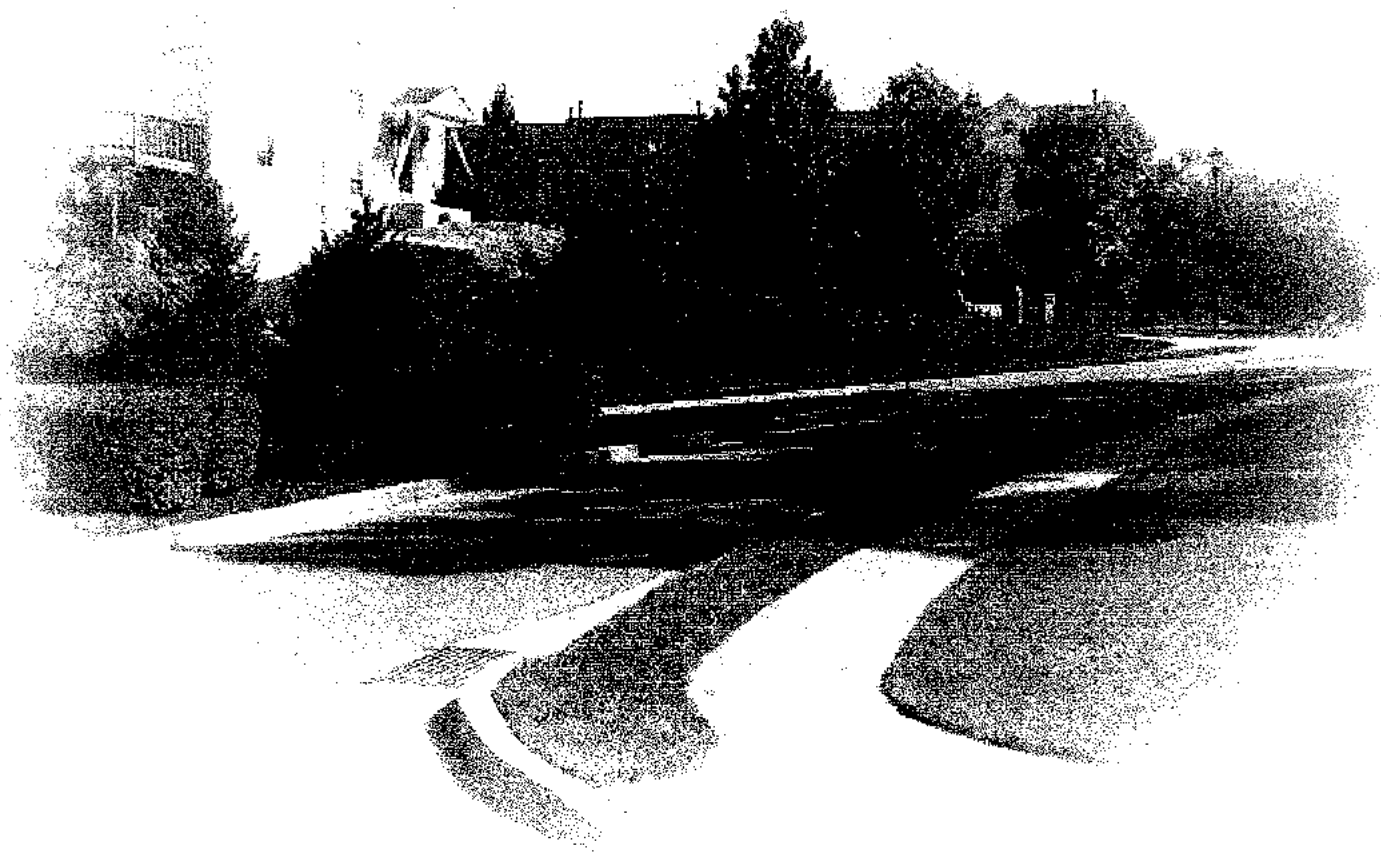
# **Reserve Report**

## **The Villages of Winterset Section 1B Homeowners Association Inc.**

# WINTERSET 1B

## REPLACEMENT RESERVE STUDY

### 2007



**MILLER ♦ DODSON**  
**ASSOCIATES**  
CAPITAL RESERVE CONSULTANTS

929 West Street, Suite 310 ♦ Annapolis, Maryland 21401  
Tel: 800.850.2835 ♦ Fax: 410.268.8483  
[www.mdareserves.com](http://www.mdareserves.com)

**MILLER ♦ DODSON**  
**ASSOCIATES**  
CAPITAL RESERVE CONSULTANTS

September 29, 2006

Mr. Dick Caldwell  
AMERICAN COMMUNITY MANAGEMENT  
120 Cockeysville Road, Suite 200  
Cockeysville, MD, 21030

Tel: 410-771-0600  
Fax: 410-771-9898

RE: WINTERSET 1B  
Replacement Reserve Report

Dear Mr. Caldwell,

Pursuant to your acceptance of our proposal of July 18, 2006, we have completed our evaluation of the Winterset 1B in Owings Mills, Maryland. The purpose of this evaluation was to obtain data for the preparation of the enclosed Replacement Reserve Study.

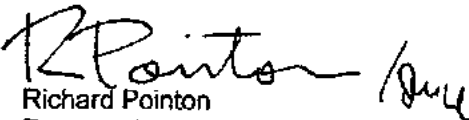
The following sections are included in this Report:

- ~ A written narrative, which includes a financial summary, additional information describing and clarifying the enclosed *Replacement Reserve Report*, and a summary of conditions found on the site;
- ~ The *Replacement Reserve Analysis* with tables listing the inventory of components, estimated replacement costs, estimated remaining life, and the graphical presentation of the calculated data;
- ~ *Supporting photographs*;
- ~ An *Appendix* describing the standard procedures and definitions.

Please review the narrative and data in this study with your Board of Directors. We will provide further revisions to this document if items have been improperly included or omitted, or if the Board wishes to suggest other modifications to the component inventory herein. We welcome the input and suggestions from your Board on these items. Such review and input always helps to hone the accuracy of the report. Such revisions should be requested in writing by the Board of Directors within ninety (90) days of the date of the original report.

If you have any questions regarding this report, please do not hesitate to contact my office.

Sincerely,  
MILLER ♦ DODSON ASSOCIATES, INC.

  
Richard Pointon  
Reserve Analyst

Enclosures: Replacement Reserve Report

R:\Projectfiles\winterset

# **Replacement Reserve Report**

## **WINTERSET 1B**

Owings Mills, Maryland

September 29, 2006

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**Article on Segmental Block Retaining Walls**

Pages 1 to 4



# **Replacement Reserve Report**

## **WINTERSET 1B**

Owings Mills, Maryland

September 29, 2006

The subject property is comprised of 152 townhouse dwelling units built in 1997. The fieldwork for this study was conducted on Wednesday, September 20, 2006. The weather was mostly sunny, and the temperature was approximately 75 degrees Fahrenheit. The survey examined common elements of the property, including the retaining walls, split rail fences, and tot lots.

Miller-Dodson Associates has visually inspected the common components in the community in order to ascertain the remaining useful life and the replacement costs of these components.

Miller-Dodson Associates would like to acknowledge the assistance and input of Mr. Dick Caldwell, the property manager, who provided very helpful insight into the historical replacement costs and history of the physical condition of many of the components of the property. We understand that the Association has been reserving for roads within the community and for curbs, sidewalks and drainage improvements within the right of way of the roads. A substantial balance has accumulated in the reserve account and we understand that Association has subsequently found that Baltimore County is responsible for these facilities.

Engineering site plans were not available for review in connection with this study. We recommend the Association assemble a library of site and building plans of the entire community. Reproducible drawings should be stored and kept in a secure fireproof location. The Association will find these drawings to be a valuable resource in planning and executing future projects. Subdivision plat plans were provided that did not include site improvement information.

**Level of Service.** This study has been performed as a Full Service Reserve Study as defined under the National Reserve Study Standards that have been adopted by the Community Associations Institute. As such, a complete component inventory was established based on information regarding commonly owned components provided by the property manager and upon quantities derived from field measurement. The condition of all components was ascertained from a site visit and the visual inspection of each component by the Analyst. The life expectancy and the value of components are provided based in part on these observations and the fund status and funding plan have been derived from analysis of this data.

## WINTERSET 18

## Replacement Reserve Report

**A. FINANCIAL SUMMARY**

**Methods of Accounting:** *Important Note:* In the enclosed Replacement Reserve Analysis, the recommended annual deposit is calculated by two methods, the *Cash Flow Method* and the *Component Method*. Both methods are presented graphically, pages A-1 through A-5, with tables showing recommended annual deposits, expenditures, and balances projected over the next thirty years. Both methods of calculating Reserves are discussed in more detail below, as well as in the attached *Appendix*. It should be pointed out that most communities adopt the Cash Flow Method due to its lower annual contributions. However, the Board of Directors, in consultation with their management and accounting professionals, must decide which of the two accounting methods is more suitable for use by the Association.

**Current Funding:** This reserve study has been prepared for Fiscal Year 2007. The *Replacement Reserves Reported to be on Deposit* as of August 31, 2006 are reported to be \$82,634.15. The planned annual contribution to reserves for Fiscal Year 2006 is \$12,994 of which \$1,082.83 will be collected for September 2006. The reserve balance on October 1, 2006 is projected to be \$83,716.98. \$3,248.50 of the planned annual contribution to reserves for Fiscal Year 2006 remains to be collected. The Association has no additional planned reserve expenses for Fiscal Year 2006. This results in a projected reserve balance at the start of Fiscal Year 2007 of \$86,965.48. The information concerning this balance has been supplied by the Association's representative, and confirmation or audit of the balance is beyond the scope of the study. See Page A-5 for details.

**Cash Flow Method:** The *Minimum Recommended Annual Deposit* as calculated by the Cash Flow Method is \$897.00, which is equivalent to an average contribution of \$0.49 per unit per month. This is the uniform amount that must be placed in reserves each year until the critical year is reached in 2044. This funding level will provide an adequate amount to cover the replacement expenses that have been projected in the study and to maintain a minimum balance Threshold of \$2,466.00, which is equal to 5.0% of the value of the replacement inventory. This inordinately low annual contribution is the result of the large opening balance in the reserve account and the relatively small inventory of common property. It should be recognized, however, that Cash Flow Method calculations should be reviewed annually based on recent contributions and expenditures, and should be updated every three to five years based on a physical evaluation of the conditions of the components.

*(Please note that the Critical Year falls outside of the 30-year period represented on the enclosed graphs and tables. In recognition of the recurring nature of replacement components, this program calculates reserve funding requirements over a 40-year period. This is done in an effort to prevent inadvertent under-funding by anticipating large funding needs beyond the 30-year study period shown in this report.)*

**Component Method:** *Note: The Association has elected to use the Cash Flow Method of calculating the Reserve Contributions. Therefore, the Component Method calculations presented here are not germane to the Reserve Study and are provided only for comparative purposes.*

WINTERSET 1B

Replacement Reserve Report

The *Current Funding Objective* calculated by the Component Method is \$13,353.00. With a reserves balance of \$86,965, the Association reserves are funded at 651.29% of this objective. The recommended *Minimum Recommended Annual Contribution* to the reserves as computed by the Component Method is \$12,365.00 in the first year of the study, declining to \$2,241 in the tenth year of the study. Projected annual deposits by the Component Method over the next ten years are shown on page A-4 of the Replacement Reserve Analysis.

The *Minimum Recommended Annual Contribution* in the study year projected by the Component method is higher than the annual deposit if reserves were fully funded. This higher deposit is due in large part to the initial acceleration that results from Component Method mathematical model. However, the high first year contribution may also be dictated by significant anticipated costs to be incurred for replacement of major common elements in the first ten years of the study. Refer to the tables and in the report for more detail.

**Interest, Inflation and Taxes on Reserves:** This study does not take into account the interest on the reserves on deposit, nor does it account for inflation over the period of the study. We will, however, incorporate interest and inflation figures into the study at the direction of the Board of Directors using figures provided by the Board. The study also assumes that the principal on the Association's Reserves are not subject to tax.

## B. REPLACEMENT RESERVE ANALYSIS

**Components included:** Every effort has been made to identify all items, which should be reasonably considered to be "common elements" for inclusion in this analysis. To that end, this report may have been made overly inclusive. Some of these components could be appropriately deleted from the analysis. Such deletions, however, should be made consciously, with the approval of the Board, recognizing that any future replacement of the deleted components would have to be funded from sources other than the replacement reserves. Components that are candidates for deletion:

1. **Small components:** For ease of administration, it may be preferable to handle replacement of relatively low cost components from the annual operating budget rather than making disbursements from the reserves. Examples might be the tot lot bench. A commonly used guideline is to use operating funds for replacement of any component with replacement cost less than \$1,000. In larger Associations, this limit is often raised to \$5,000.
2. **Long lasting components:** The reserve schedule includes components with estimated economic lives equaling or exceeding thirty years, for example, the retaining walls. While some analysts would omit these components from the schedule entirely on the basis that the economic lives of these components approach that of the property as a whole, it is recommended that they be retained since dropping them might expose the Association to a large unfunded liability should the replacements be needed at some time in the future.
3. **Components incorrectly included:** In an effort to include all components that could reasonably be considered as "common," it is possible that some items have been included which are not the responsibility of the Association.

WINTERSET 1B

Replacement Reserve Report

**Components excluded:** The following components have been excluded from the Replacement Reserve Analyses. If any of these exclusions have been made in error, we will reinsert the component upon the written request of the Board of Directors:

1. **Local Government.** We have assumed the following components will be maintained and replaced by the local government (or responsible utility company):
  - a. Roads and parking and associated improvements including curb & gutter and sidewalks located within a normal right-of-way throughout the community.
  - b. Underground water, sewer and gas mains.
  - c. Storm water system.
  - d. Electrical, telephone and cable TV distribution systems.
2. **Individual owners.** We have assumed the following components will be maintained and replaced by the individual owners:
  - a. Exterior and interior components of dwelling units.
  - b. Decks, privacy fences and screens, fencing and other privately owned improvements within lot lines.
  - c. Fireplace chimney systems.
  - d. Leadwalks.
  - e. Utility connections, including gas and electrical.
3. **Mail boxes.** We have assumed the mailboxes are the responsibility of the U.S. Postal Service.
4. **Operating Funds.** Pursuant to our proposal, we have not included items with a value of less than \$1,000.00 and items that are being funded from the operating budget. Some of these items are listed below:
  - a. General signage throughout the community.
5. **Unreservable components.** The following items were omitted because they are considered to be non-capital expenses under IRS guidelines:
  - a. Painting – Revenue Ruling 75-370 and 75-371.
  - b. Seasonal landscaping, such as annual planting, mulching, and pruning.
  - c. Future Reserve Studies.

**Revisions:** Revisions will be made to the Replacement Reserve Analysis in accordance with the written instructions of the Board of Directors. No additional charge is incurred for the first revision if requested in writing within three months of the date of this report.

## WINTERSET 1B

## Replacement Reserve Report

**Updating:** It is recommended to review and revise the Replacement Reserve Analysis annually to take into account replacements, which have actually occurred and known changes in replacement costs. Updating the analysis after a major replacement is made usually results in a significant reduction in the annual deposit as calculated by the Component Method. A full analysis based on a physical evaluation of the components should be performed approximately every three to five years.

### C. SUMMARY OF CONDITIONS

**General.** The subject property appears to be in excellent overall condition for its age. The general upkeep of the common facilities reflects the conscientiousness of the Association and the property manager. The community is only nine years old, and no significant problems requiring repair were noted. Because of its excellent condition, our assessments of the remaining life for most components are based primarily on age with respect to normal life expectancy rather than on specific field observations.

The following comments pertain to the larger, more significant components in the Community's inventory and to those items that are unique or deserving of attention because of their condition or the manner in which they have been treated in the analysis.

**Asphalt Pavement.** The asphalt roads and parking areas throughout the community are in excellent condition. They are owned by the County and the Homeowner's Association is not responsible for maintaining them as confirmed by the property manager with James Reed, the Baltimore County Transportation Department representative.

**Concrete Sidewalks and Curb and Gutters.** The concrete components throughout the community are in excellent condition. They are owned by the County and the Homeowner's Association is not responsible for maintaining them as confirmed by the property manager with James Reed, the Baltimore County Transportation Department representative.

**Entrance Monument.** The community may erect an entrance monument in the next few years. For the inventory, it was assumed that a carved wood entrance sign with brick masonry piers and walls would be erected in 2007 using reserve funds. The carved wood sign has a life of approximately twenty years. Brickwork (or stonework) has a very long life expectancy so we have excluded replacement of the walls. Funding for the periodic tuckpointing of mortar joints will need to be included in future reserve studies if they are constructed. Exposure to weather over an extended period of time will wash lime out of the mortar and weaken the joint. Periodic tuckpointing of these joints and replacement of damaged brick is required to extend the life of the wall. Unless the wall is damaged by settlement, this work is typically not required until the wall is approximately 35-40 years old which is beyond the timeframe of this report. At that point we expect that approximately 10% of the surface area will require repair and that an additional 10% will require repair every 10 years thereafter.

**Retaining Walls – Masonry Segmental Blocks.** Literature regarding concrete masonry segmental retaining walls (SRW) is enclosed as an appendix to this report. The industry considers the walls to be maintenance-free for 50 years and estimated normal life to be 80-100 years. If this conclusion is accepted, there is no need to reserve for this very significant component. If, on the other hand, major work must be done on this wall at some point in time because of settlement, erosion, latent construction defects, etc., the cost will be very



## WINTERSET 1B

## Replacement Reserve Report

high. Accordingly, we have included funding for replacement of 30% of this wall at 40 years, which permits the association to accumulate slowly for this eventuality.

The two tier retaining wall assembly adjacent to 4401 Kentford Road appears to be on the side yard of that property and may have been privately installed and may be privately owned. It was included in the community inventory as a separate line because of the uncertainty of ownership and because it is in better condition than the wall adjacent to Stretham Court.

**Fencing – Split Rail Wood.** The fencing is located between the tot lot and Ingham Road and atop the retaining wall adjacent to Stretham Court. It is mostly in fair condition. Some rails are broken or rotting and are in need of replacement soon.

**Tot Lots.** The tot lot is in good condition. It has a play structure with a slide and a separate swing set, a bench with synthetic wood slats, timber borders and wood chip surfacing. Information for playground design and safety can be found in the "Handbook for Public Playground Safety", U.S. Consumer Product Safety Commission, Washington, DC 20207. (Pub. No. 325). The publication can be downloaded at [www.cpsc.gov](http://www.cpsc.gov).

#### D. LIFE EXPECTANCY AND COST ESTIMATES

**Estimated Life Left:** The "Estimated Life Left in Years" column represents the number of serviceable years left in the item based on its current or repaired condition. It is not a mathematical formula directly related to "Estimated Economic Life in Years." Some items may experience longer lives while others may experience shorter lives depending on many factors such as environment, initial quality of the component, maintenance, etc.

**Cyclical Funding:** There are components that are typically replaced in stages rather than all in one time period. For this reason, these items are placed in the cyclic replacement section of the reserve schedule, at full replacement value.

**Partial Funding:** Several of the replacement items have been funded at less than 100 percent of their full replacement value. This is done in an effort to keep reserve contributions at a reasonable level, on the theory that many of these components will never be replaced in their entirety. However, catastrophic failure is not anticipated, and therefore is not fully funded. The percentage of funding may be adjusted in future years based on historical data and actual experience. All other components were placed in the normal replacement sections at full estimated replacement cost with replacement time estimates based on current conditions and historical data.



WINTERSET 1B  
Replacement Reserve Report

**E. SURVEY METHODOLOGY**

**Valuation:** The replacement reserve analysis depends upon estimates of total useful life, life remaining and replacement cost. These estimates were obtained from Government standards, published estimating manuals, recent experience on comparable properties and engineering judgment. We believe that the analysis will provide a useful guide for planning. Actual experience in replacing equipment may differ significantly from the projections in the analysis because of conditions beyond our control, such as maintenance practices, inflation, variations in pricing and market conditions, future technological developments and regulatory actions.

**Conflict of Interest:** Neither Miller-Dodson Associates nor this Reserve Analyst has any prior or existing relationship with this community association which would represent a real or perceived conflict of interest.

**Reliance on Client Data:** Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues will be deemed reliable by the consultant.

**Scope:** The Reserve Study will be a reflection of information provided to the consultant and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.

**Reserve Projects:** Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.

**Analyst's Credentials:** Mr. Richard H. Pointon holds a Bachelors of Architecture from University of Tennessee and an Associates Degree in Business-Real Estate and is nearing completion of a Masters of Science in Real Estate from the Johns Hopkins University Berman Real Estate Institute. Mr. Pointon has been a Registered Professional Architect in the Commonwealth of Virginia since 1985, State of Maryland since 1998, and District of Columbia since 1999. Since 1980, Mr. Pointon has been providing full architectural services and has been the Principal of Pointon Architecture since 1998. He is currently a Reserve Analyst for Miller-Dodson Associates, Inc.

End of Report

Respectfully Submitted,  
MILLER ♦ DODSON ASSOCIATES, INC

  
Richard Pointon  
Reserve Analyst

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**REPLACEMENT RESERVE ANALYSIS****Wintersef 1B****September 20, 2006****GENERAL INFORMATION**

2007 Study Year

\$86,965 Replacement Reserves reported to be on deposit at start of Study Year

\$49,311 Estimated value of all Components included in the Replacement Reserve Inventory

The information shown in this Summary does not account for interest earned on Replacement Reserves on deposit, nor does it include adjustments for inflation. For more information see the attached Appendix.

**REPORTED CURRENT FUNDING DATA**

**\$12,994** REPORTED CURRENT ANNUAL CONTRIBUTION TO REPLACEMENT RESERVES

\$7.12 Per unit current monthly contribution to Replacement Reserves

**CASH FLOW METHOD CALCULATIONS**

**\$897** MINIMUM RECOMMENDED ANNUAL CONTRIBUTION TO REPLACEMENT RESERVES

\$0.49 Per unit minimum recommended monthly contribution to Replacement Reserves

\$2,466 Recommended minimum Replacement Reserve Funding Threshold (5.0 percent)

2044 First year Reserves fall to minimum recommended level (Design Year)

**COMPONENT METHOD CALCULATIONS**

**(\$12,365)** MINIMUM RECOMMENDED ANNUAL CONTRIBUTION TO RESERVES (IN STUDY YEAR)

(\$6.78) Per unit minimum recommended monthly contribution to Replacement Reserves

\$13,353 Current Funding Objective

651.29% Funding Percentage

(\$73,613) One time deposit required to fully fund Replacement Reserves

\$2,940 Annual Contribution to Replacement Reserves if Reserves were fully funded.

**PROJECT INFORMATION**

PROPERTY MANAGED BY:

American Community Management

Mr. Dick Caldwell

120 Cockeysville Road, Suite 200

Cockeysville, Maryland 21030

(410) - 771-0600

MAJOR COMPONENTS IN ANALYSIS:

Split rail fences, retaining walls, tot lot,

planned entrance sign.

PROPERTY LOCATION:

Owings Mills, Maryland

TYPE OF PROPERTY:

Townhomes

# OF UNITS:

152

YEAR BUILT:

1997

**NOTES**

1. This Reserve Study is in compliance with the National Reserve Study Standards as adopted by the Community Associations Institute in 1998.
2. The current Reserve Fund Balance and Annual Contribution were provided by the property manager.
3. This Association uses a fiscal year that covers the period from January 1 to December 31.

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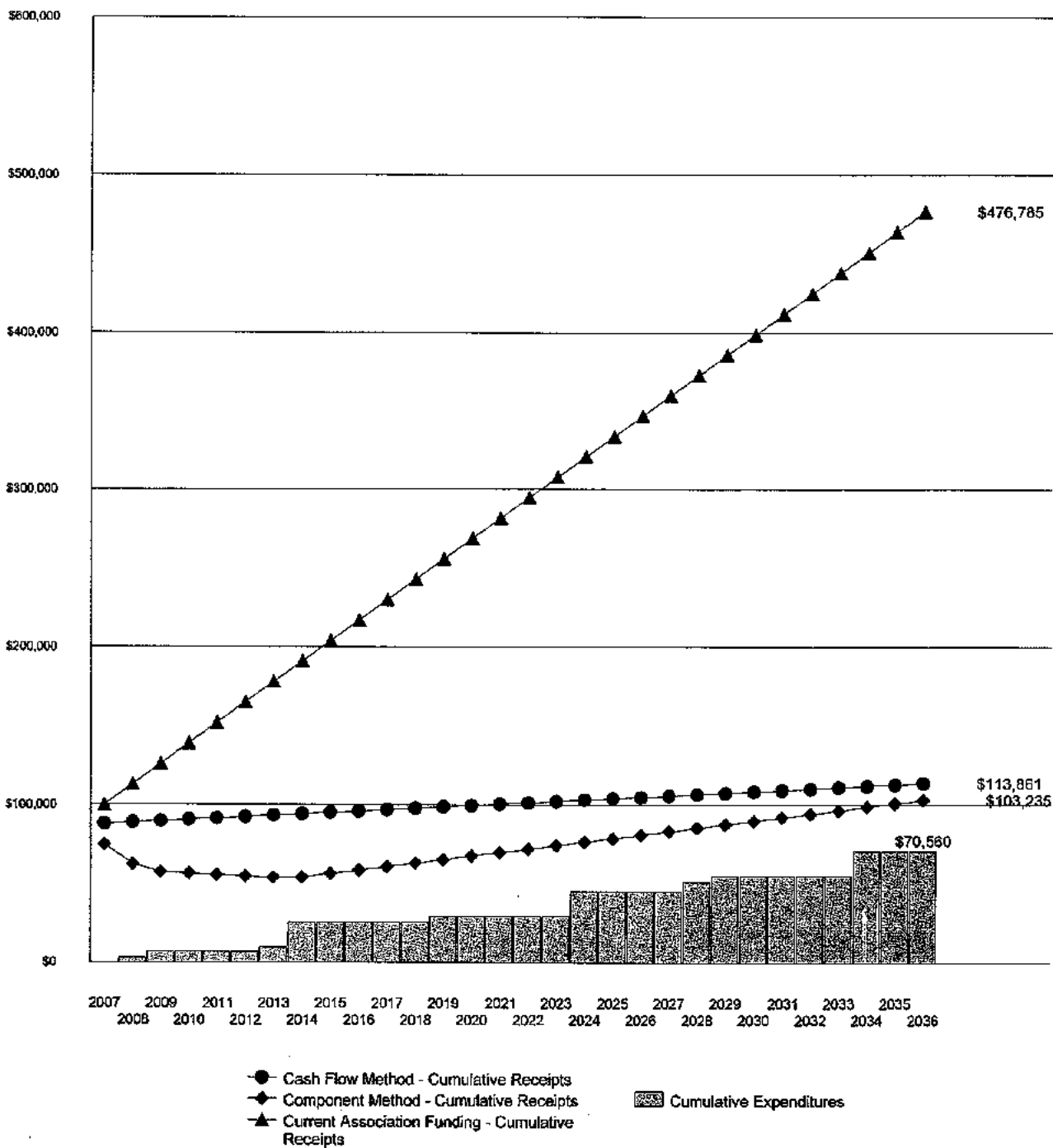
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# REPLACEMENT RESERVE ANALYSIS

Winterset 1B

September 20, 2006

## Funding Methods Comparison Graph - Cumulative Receipts and Expenditures



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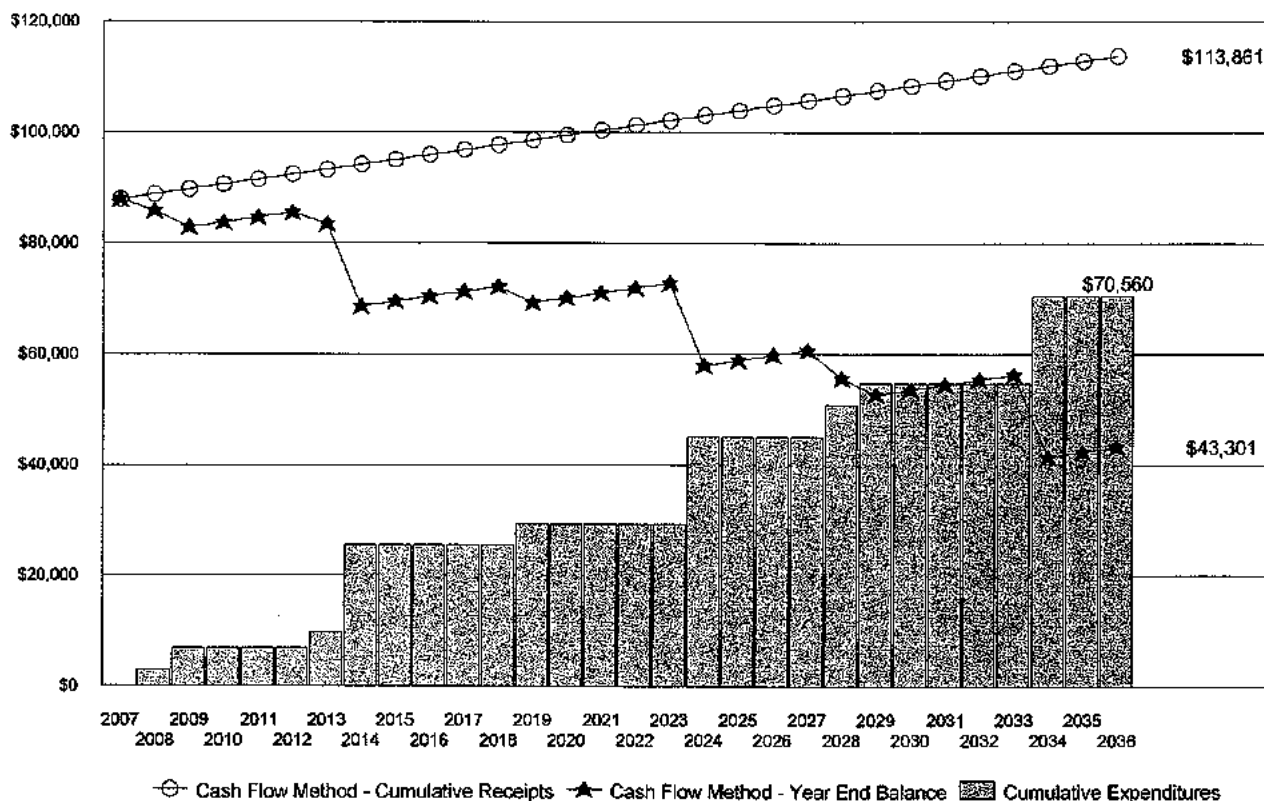
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# REPLACEMENT RESERVE ANALYSIS

Winterset 1B

September 20, 2006

## Cash Flow Method - Cumulative Receipts and Expenditures Graph



## Cash Flow Method Data - Years 1 through 30

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TEN YEAR SUMMARIES
Starting balance	\$96,965										
Annual deposit	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897	Expenditures: \$25,493
Expenditures	\$0	\$3,000	\$3,839	\$0	\$0	\$0	\$2,918	\$15,737	\$0	\$0	Receipts: \$65,931
Year end balance	\$97,862	\$95,759	\$92,917	\$93,713	\$94,610	\$95,506	\$96,485	\$98,645	\$99,542	\$70,438	
Minimum rec. funding lvl.	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	
Cumulative expenditures	\$0	\$3,000	\$6,839	\$6,839	\$6,839	\$6,839	\$9,756	\$25,493	\$25,493	\$25,493	
Cumulative receipts	\$97,862	\$98,759	\$99,656	\$100,552	\$101,448	\$102,345	\$103,241	\$104,138	\$105,034	\$105,931	
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Expenditures: \$19,575
Annual deposit	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897	Receipts: \$10,962
Expenditures	\$0	\$0	\$3,839	\$0	\$0	\$0	\$0	\$15,737	\$0	\$0	
Year end balance	\$71,335	\$72,231	\$69,289	\$70,186	\$71,082	\$71,979	\$72,876	\$68,035	\$68,932	\$69,828	
Minimum rec. funding lvl.	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	
Cumulative expenditures	\$25,493	\$25,493	\$29,331	\$29,331	\$29,331	\$29,331	\$29,331	\$45,068	\$45,068	\$45,068	
Cumulative receipts	\$96,827	\$97,724	\$98,620	\$99,517	\$100,413	\$101,310	\$102,206	\$103,103	\$103,999	\$104,896	
Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Expenditures: \$25,493
Annual deposit	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897	\$897	Receipts: \$10,962
Expenditures	\$0	\$5,918	\$3,839	\$0	\$0	\$0	\$0	\$15,737	\$0	\$0	
Year end balance	\$60,725	\$66,704	\$62,762	\$63,668	\$64,555	\$65,451	\$66,348	\$41,508	\$42,404	\$43,301	
Minimum rec. funding lvl.	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	\$2,466	
Cumulative expenditures	\$45,068	\$50,985	\$54,824	\$54,824	\$54,824	\$54,824	\$54,824	\$70,560	\$70,560	\$70,560	FIRST TRANSITION YEAR 2044
Cumulative receipts	\$105,792	\$106,589	\$107,585	\$108,482	\$109,378	\$110,275	\$111,171	\$112,068	\$112,964	\$113,861	

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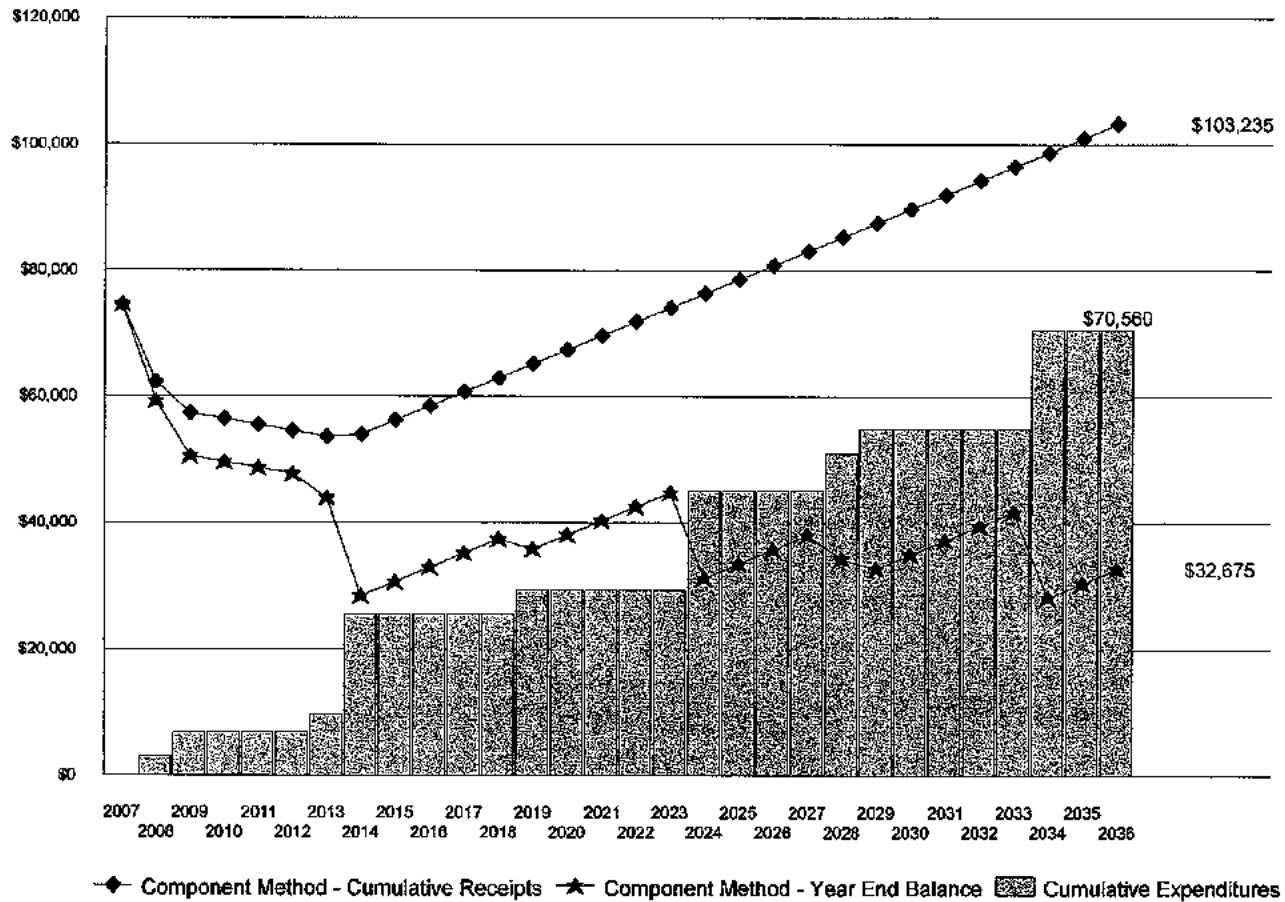
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# REPLACEMENT RESERVE ANALYSIS

Winterset 1B

September 20, 2006

## Component Method - Cumulative Receipts and Expenditures Graph



## Component Method Data - Years 1 through 30

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TEN YEAR SUMMARIES
Starting balance	\$66,965										Expenditures:
Annual deposit	(\$12,365)	(\$12,365)	(\$4,922)	(\$920)	(\$920)	(\$920)	(\$920)	\$306	\$2,241	\$2,241	\$25,493
Expenditures	\$0	\$3,000	\$3,839	\$0	\$0	\$0	\$2,918	\$15,737	\$0	\$0	Receipts:
Year end balance	\$74,601	\$59,238	\$50,476	\$49,556	\$48,636	\$47,716	\$43,879	\$28,448	\$30,689	\$32,929	\$58,422
Cumulative Expenditures	\$0	\$3,000	\$6,839	\$6,839	\$6,839	\$6,839	\$9,756	\$25,493	\$25,493	\$25,493	
Cumulative Receipts	\$74,601	\$62,236	\$57,314	\$56,394	\$55,474	\$54,555	\$53,635	\$53,940	\$58,181	\$58,422	
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TEN YEAR SUMMARIES
Annual deposit	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	Expenditures:
Expenditures	\$0	\$0	\$3,839	\$0	\$0	\$0	\$0	\$15,737	\$0	\$0	\$19,576
Year end balance	\$35,170	\$37,411	\$36,613	\$38,053	\$40,294	\$42,535	\$44,776	\$31,280	\$33,520	\$35,761	Receipts:
Cumulative Expenditures	\$25,493	\$25,493	\$29,331	\$29,331	\$29,331	\$29,331	\$29,331	\$45,068	\$45,068	\$45,068	\$24,424
Cumulative Receipts	\$60,682	\$62,903	\$65,144	\$67,384	\$69,625	\$71,866	\$74,107	\$76,347	\$78,588	\$80,829	
Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	TEN YEAR SUMMARIES
Annual deposit	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	\$2,241	Expenditures:
Expenditures	\$0	\$5,918	\$3,839	\$0	\$0	\$0	\$0	\$15,737	\$0	\$0	\$25,493
Year end balance	\$36,002	\$34,325	\$32,727	\$34,868	\$37,208	\$39,449	\$41,690	\$26,194	\$30,435	\$32,675	Receipts:
Cumulative Expenditures	\$45,068	\$50,985	\$54,824	\$54,824	\$54,824	\$54,824	\$54,824	\$70,560	\$70,560	\$70,560	\$24,434
Cumulative Receipts	\$83,089	\$85,310	\$87,551	\$89,791	\$92,032	\$94,273	\$96,513	\$98,754	\$100,995	\$103,235	

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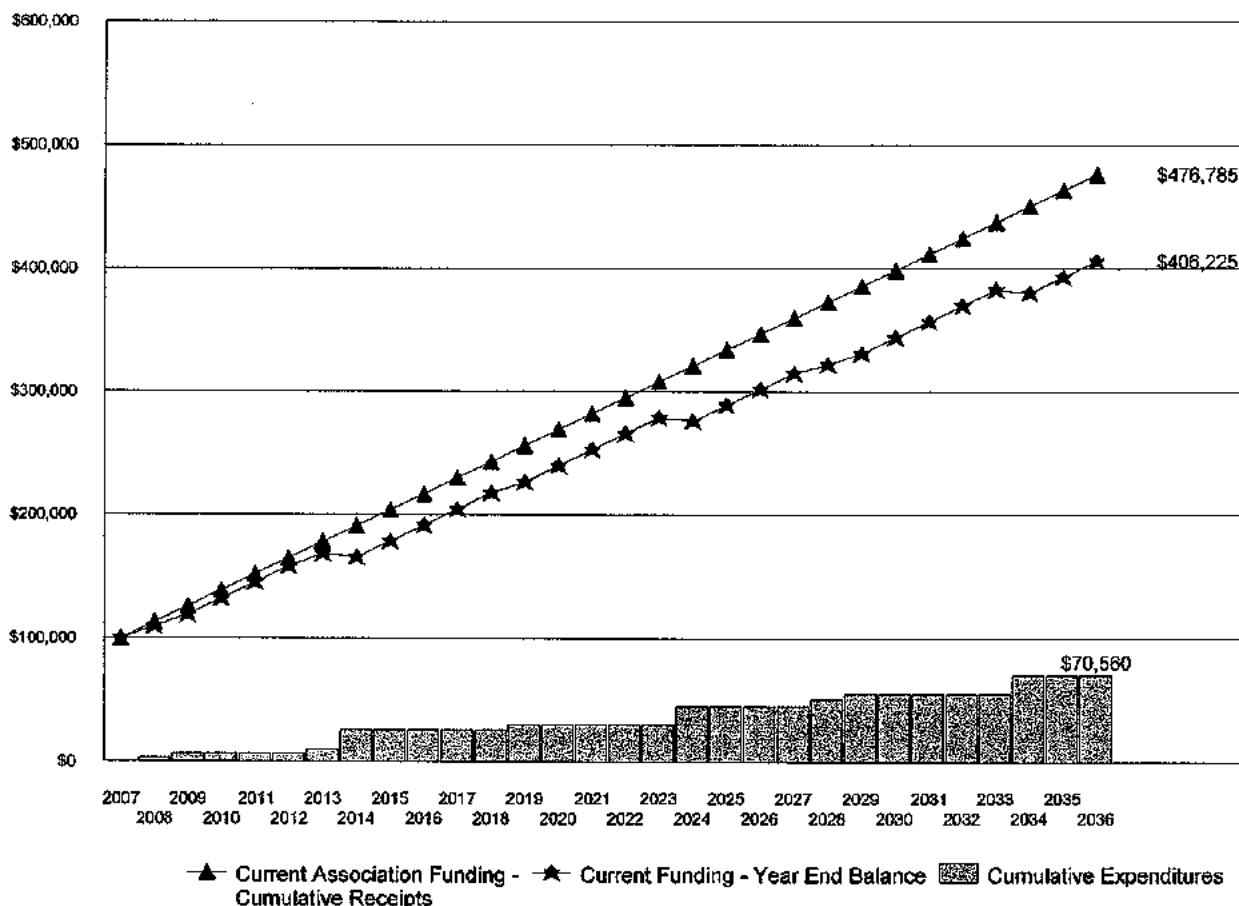
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# REPLACEMENT RESERVE ANALYSIS

Winterset 1B

September 20, 2006

## Current Association Funding - Cumulative Receipts and Expenditures Graph



## Current Funding Data - Years 1 through 30

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TEN YEAR SUMMARIES
Starting balance	\$86,965										
Annual deposit	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	Expenditures: \$25,493
Expenditures	\$0	\$3,000	\$3,839	\$0	\$0	\$0	\$2,918	\$15,737	\$0	\$0	Receipts: \$216,905
Year end balance	\$89,959	\$109,953	\$119,109	\$132,103	\$145,097	\$158,091	\$168,167	\$185,425	\$178,419	\$191,413	
Cumulative Expenditures	\$0	\$3,000	\$6,839	\$6,839	\$6,839	\$6,839	\$6,756	\$25,493	\$25,493	\$25,493	
Cumulative Receipts	\$89,959	\$112,953	\$125,947	\$138,941	\$151,935	\$164,929	\$177,923	\$190,917	\$203,911	\$216,905	
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Expenditures: \$19,575
Annual deposit	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	Receipts: \$129,940
Expenditures	\$0	\$0	\$3,839	\$0	\$0	\$0	\$0	\$15,737	\$0	\$0	
Year end balance	\$204,407	\$217,401	\$226,556	\$239,550	\$252,544	\$265,538	\$278,532	\$275,790	\$288,784	\$301,778	
Cumulative expenditures	\$25,493	\$25,493	\$29,331	\$29,331	\$29,331	\$29,331	\$29,331	\$45,068	\$45,068	\$45,068	
Cumulative receipts	\$229,859	\$242,853	\$255,847	\$268,841	\$281,835	\$294,829	\$307,823	\$320,817	\$333,811	\$346,805	
Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Expenditures: \$25,493
Annual deposit	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	\$12,994	Receipts: \$129,940
Expenditures	\$0	\$5,918	\$3,839	\$0	\$0	\$0	\$0	\$15,737	\$0	\$0	
Year end balance	\$314,772	\$321,848	\$331,004	\$343,998	\$356,992	\$368,986	\$382,980	\$380,237	\$393,231	\$406,225	
Cumulative Expenditures	\$45,068	\$50,985	\$54,824	\$54,824	\$54,824	\$54,824	\$54,824	\$70,560	\$70,560	\$70,560	
Cumulative Receipts	\$359,839	\$372,833	\$385,827	\$398,821	\$411,815	\$424,809	\$437,803	\$450,797	\$463,791	\$476,785	

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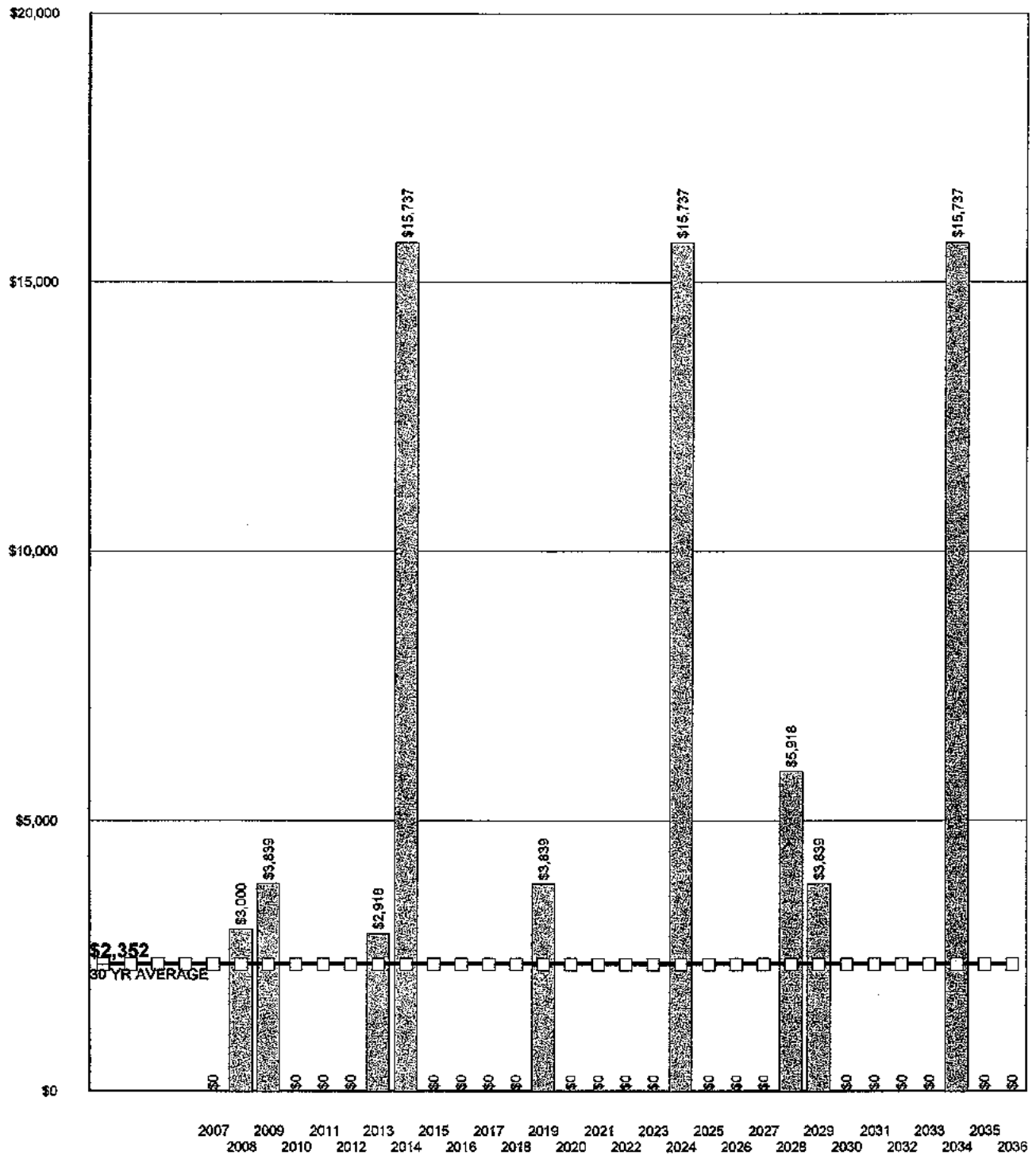
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# REPLACEMENT RESERVE ANALYSIS

Winterset 1B

September 20, 2006

Graph of Annual Replacement Expenditures



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# REPLACEMENT RESERVE INVENTORY

Winterset 1B

September 20, 2006

## INVENTORY OF COMPONENTS - NORMAL REPLACEMENT

ITEM #		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	TOTAL REPLACEMENT COST (\$)
<b>SITE IMPROVEMENTS</b>							
1	Entrance Monument	ls	1	\$3,000.00	20	1	\$3,000
2	Split Rail Fence - Two Rail at Tot Lot	lf	82	\$11.00	15	6	\$902
3	Split Rail Fence - Three Rail at Ret Wall	lf	139	\$14.50	15	6	\$2,016
4	Ret Wall at Stretham Ct, (30%)	sf	450	\$42.00	40	31	\$18,900
5	Ret Wall at Kentford Rd, (30%)	sf	158	\$42.00	40	37	\$6,615
6	Tot Lot Equipment - Play Structure & Sli	ls	1	\$12,000.00	10	7	\$12,000
7	Tot Lot Equipment - Two Swing Set	ls	1	\$1,550.00	10	7	\$1,550
8	Tot Lot Bench	ea	1	\$490.00	10	7	\$490
9	Tot Lot Mulch	sf	1,950	\$0.87	5	2	\$1,697
10	Tot Lot Border	lf	204	\$10.50	10	2	\$2,142

## COMMENTS

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**REPLACEMENT RESERVE ALLOCATION****Winterset 1B****September 20, 2006****CASH FLOW METHOD - THREE YEAR ALLOCATION OF REPLACEMENT RESERVES**

Component	Estimated Replacement Reserve Allocation		2007			2008			2009		
	Cost	in Deposit	Deposits	Expenses	Year-End Balance	Deposits	Expenses	Year-End Balance	Deposits	Expenses	Year-End Balance
<b>NORMAL COMPONENTS</b>											
<b>SITE IMPROVEMENTS</b>											
1 Entrance Monument	3,000	6,000			6,000		(3,000)	3,000			3,000
2 Split Rail Fence - Two Rail at To	902	1,804			1,804			1,804			1,804
3 Split Rail Fence - Three Rail at R	2,016	4,031			4,031			4,031			4,031
4 Ret Wall at Stretton Ct, (30%)	18,900	16,405	897		17,302	897		18,199	701		18,900
5 Ret Wall at Kentford Rd, (30%)	5,615										
6 Tot Lot Equipment - Play Structure	12,000	36,000			36,000			36,000			36,000
7 Tot Lot Equipment - Two Swing	1,550	4,650			4,650			4,650			4,650
8 Tot Lot Bench	490	1,470			1,470			1,470			1,470
9 Tot Lot Mulch	1,697	10,179			10,179			10,179	86	(1,697)	8,569
10 Tot Lot Border	2,142	6,426			6,426			6,426	109	(2,142)	4,393

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# REPLACEMENT RESERVE ALLOCATION

Winterset 1B

September 20, 2006

## COMPONENT METHOD - THREE YEAR ALLOCATION OF REPLACEMENT RESERVES

Component	Estimated Allocation		2007			2008			2009		
	Replacement of Reserves	Cost on Deposit	Deposits	Expenses	Year End Balance	Deposits	Expenses	Year End Balance	Deposits	Expenses	Year End Balance
<b>NORMAL COMPONENTS</b>											
<b>SITE IMPROVEMENTS</b>											
1 Entrance Monument	3,000	17,585	(7,292)		10,292	(7,292)	(3,000)		150		150
2 Split Rail Fence - Two Rail at Yo	902	3,133	(319)		2,814	(319)		2,496	(319)		2,177
3 Split Rail Fence - Three Rail at R	2,016	7,001	(712)		6,289	(712)		5,577	(712)		4,864
4 Ret Wall at Stretton Ct. (30%)	18,900	24,619	(179)		24,440	(179)		24,261	(179)		24,083
5 Ret Wall at Kentford Rd. (30%)	6,615	2,154	117		2,272	117		2,389	117		2,506
6 Tot Lot Equipment - Play Structure	12,060	15,631	(454)		15,177	(454)		14,723	(454)		14,269
7 Tot Lot Equipment - Two Swing	1,550	2,019	(59)		1,960	(59)		1,902	(59)		1,843
8 Tot Lot Bench	490	638	(19)		620	(19)		601	(19)		583
9 Tot Lot Mutch	1,697	4,420	(908)		3,512	(908)		2,604	(908)	(1,697)	
10 Tot Lot Border	2,142	9,765	(2,541)		7,224	(2,541)		4,683	(2,541)	(2,142)	

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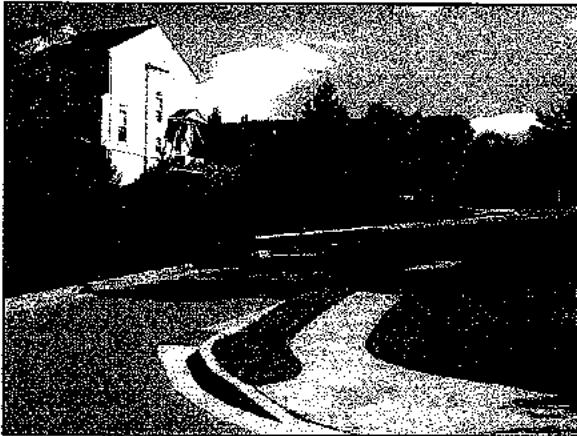


**WINTERSET 1B**

**September 2006**

**Supplemental Photographs**

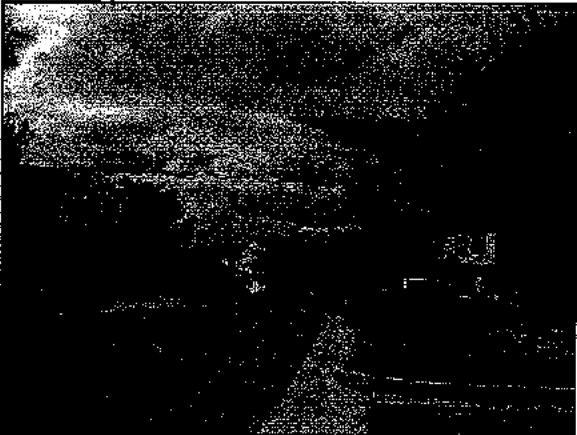
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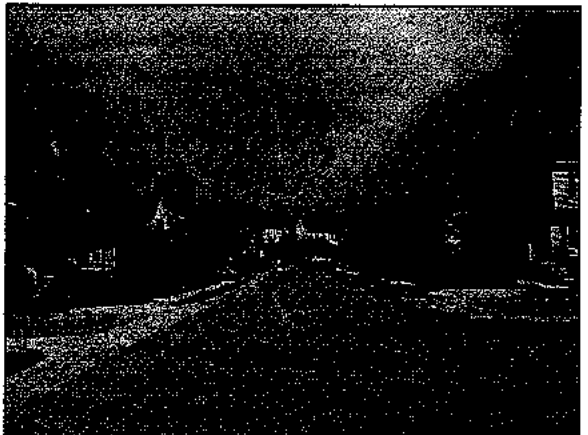
Community Entrance.



Kentford Road.



Methwold Court.



Ingham Road.



Ingham Road.



Stretham Court.

## WINTERSET 1B

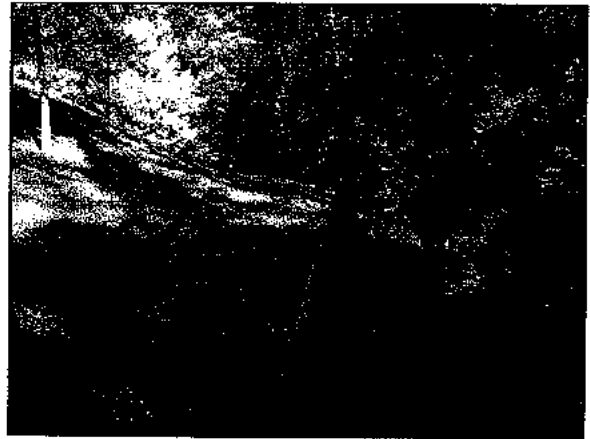
September 2006

### Supplemental Photographs

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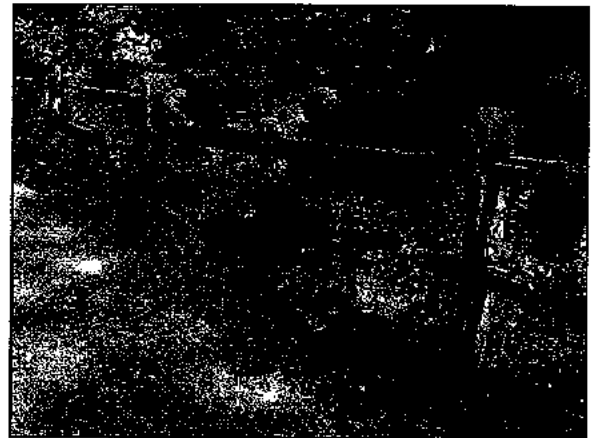
Tot lot fence.



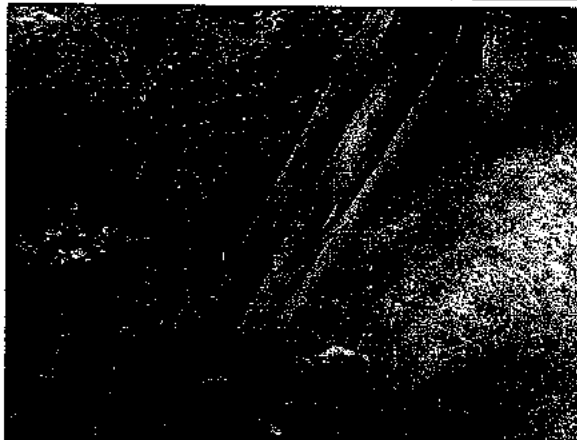
Retaining wall fence.



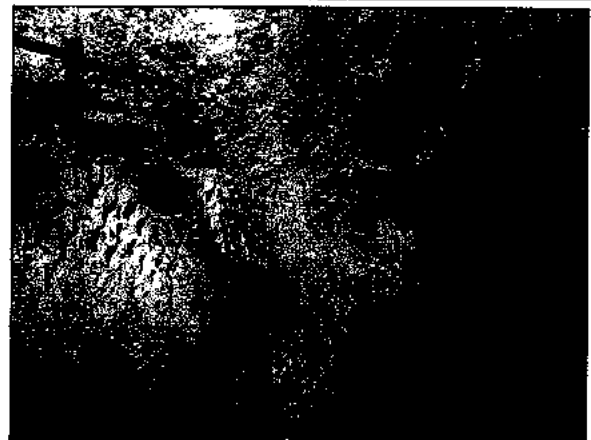
Retaining wall fence.



Broken rail at retaining wall fence.



Rotting rail at retaining wall fence.



Retaining wall adjacent to Stretham Court.

## WINTERSET 1B

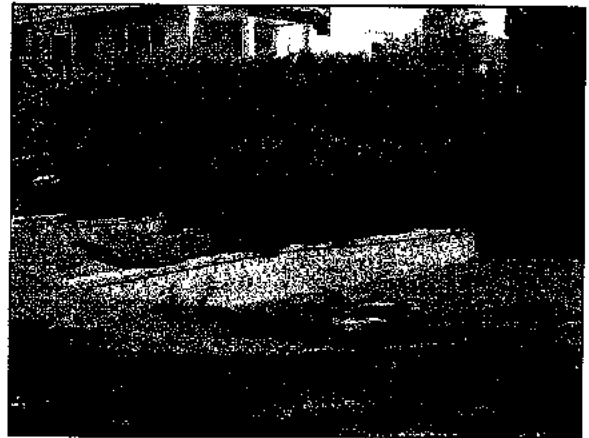
September 2006

### Supplemental Photographs

Page D-3



Retaining wall adjacent to Stretham Court.



Retaining wall adjacent to Kentford Road.



Retaining wall adjacent to Kentford Road.



Retaining wall adjacent to Kentford Road.



Tot lot.



Tot lot play equipment.

## WINTERSET 1B

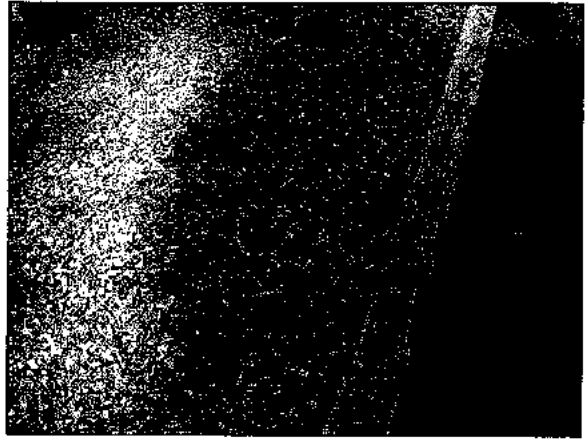
September 2006

### Supplemental Photographs

Page D-4



Tot lot play structure.



Tot lot border and mulch.

## APPENDIX

### Section A

#### PROCEDURES AND DEFINITIONS USED IN THE REPLACEMENT RESERVE SCHEDULE

##### A. Replacement Reserve Analysis

- **Analysis methods.** The Replacement Reserve industry generally recognizes two different methods of accounting for Replacement Reserve Analysis. Due to the difference in accounting methodologies, these methods lead to different calculated values for the *Minimum Annual Contribution* to the Reserves. The results of both methods are presented in this report. The Association should obtain the advice of its accounting professional as to which method is more appropriate for this Association. The two methods are:

1. **Component Method.** This method is a time tested mathematical model developed by HUD in the early 1980's. It treats each item in the replacement schedule as an individual line item budget. Generally, the *Minimum Annual Contribution* to Reserves is higher when calculated by the Component Method. The mathematical model for this method works as follows:

First, the total *Current Objective* is calculated, which is the reserve amount that would have accumulated had all of the items on the schedule been funded from initial construction at their current replacement costs. Next, the *Reserve Currently on Deposit* (as reported by the Association) are distributed to the components in the schedule in proportion to the *Current Objective*. The *Minimum Annual Deposit* for each component is equal to the Estimated Replacement Cost, minus the Reserves on Hand, divided by the years of life remaining.

2. **Cash Flow Method.** The Cash Flow Method is sometimes referred to as the "Pooling Method." It calculates the minimum constant annual contribution to reserves (*Minimum Annual Deposit*) required to meet projected expenditures, without allowing TOTAL reserves on hand to fall below the specified minimum level in any year. This method usually results in a calculated requirement for annual contribution somewhat less than that arrived at by the Component Method of analysis.

First, the *Minimum Recommended Reserve Level to be Held on Account* is determined based on the age, condition, and replacement cost of the individual components. The mathematical model then allocates the estimated replacement costs to the future years in which they are projected to occur. Based on these expenditures, it then calculates the minimum constant yearly contribution (*Minimum Annual Deposit*) to the reserves necessary to keep the reserve balance at the end of each year above the *Minimum Recommended Reserve Level to be Held on Account*. The Cash Flow Analysis assumes that the Association will have authority to use all of the reserves on hand for replacements as the need occurs. This method usually results in a *Minimum Annual Deposit* that is less than that arrived at by the Component Analysis.

- **Adjusted Cash Flow Analysis.** This program has the ability to modify the Cash Flow Method to take into account forecasted inflation and interest rates, thereby producing an *Adjusted Cash Flow Analysis*. Attempting to forecast future inflation and interest rates and the impact of changing technology is highly tenuous. Therefore, in most cases it is preferable to make a new schedule periodically rather than attempt to project far into the future. We will provide more information on this type of analysis upon request.



- **Unit costs.** Unit costs are developed using nationally published standards and estimating guides, and are adjusted by state or region. In some instances, recent data received in the course of our work is used to modify these figures.

Contractor proposals or actual cost experience may be available as part of the Association records. This is useful information that should be incorporated into your report. Please bring any such available data to our attention, preferably before the report is commenced.

- **Replacement vs. repair and maintenance.** A Replacement Reserve Study addresses the required funding for Capital Replacement Expenditures. This should not be confused with operational costs or cost of repairs or maintenance.

## B. Definitions

- **Adjusted Cash Flow Analysis.** Cash flow analysis adjusted to take into account annual cost increases due to inflation, and interest earned on invested reserves. In this method, the annual contribution is assumed to grow annually at the inflation rate.
- **Annual Deposit if Reserves Were Fully Funded.** Shown on the Summary Sheet, "A" in the Component Method summary, this would be the amount of the Annual Deposit needed if the *Reserves Currently on Deposit* were equal to the *Total Current Objective*.
- **Cash Flow Analysis.** See *Cash Flow Method*, above.
- **Component Analysis.** See *Component Method*, above.
- **Contingency.** An allowance for unexpected requirements. Roughly the same as the *Minimum Recommended Reserve Level to be Held on Account* used in the *Cash Flow Method* of analysis.
- **Critical Year.** In the *Cash Flow Analysis*, a year in which the reserves on hand are projected to fall to the established minimum level. See *Minimum Recommended Reserve Level to be Held on Account*.
- **Current Objective.** This is the reserve amount that would have accumulated had the item been funded from initial construction at its current replacement costs. It is equal to the *estimated replacement cost* divided by the estimated economic life, times the number of years expended (the difference between the *Estimated Economic Life* and the *Estimated Life Left*). The *Total Current Objective* can be thought of as the amount of reserves the Association should now have on hand based on the sum of all of the Current Objectives.
- **Cyclic Replacement Item.** A component item that typically begins to fail after an initial period (*Estimated Initial Replacement*), but which will be replaced in increments over a number of years (the *Estimated Replacement Cycle*). The Reserve Analysis program divides the number of years in the *Estimated Replacement Cycle* into five equal increments. It then allocates the *Estimated Replacement Cost* equally over those five increments. (As distinguished from *Normal Replacement Items*, see below)
- **Normal Replacement Schedules.** A component item that typically begins to fail after an initial period (*Estimated Initial Replacement*), but which will be replaced in increments over a number of years (the *Estimated Replacement Cycle*).
- **Estimated Economic Life.** Used in the *Normal Replacement Schedules*. This represents the industry average number of years that a new item should be expected to last until it has to be replaced. This figure is sometimes modified by climate, region, or original construction conditions.

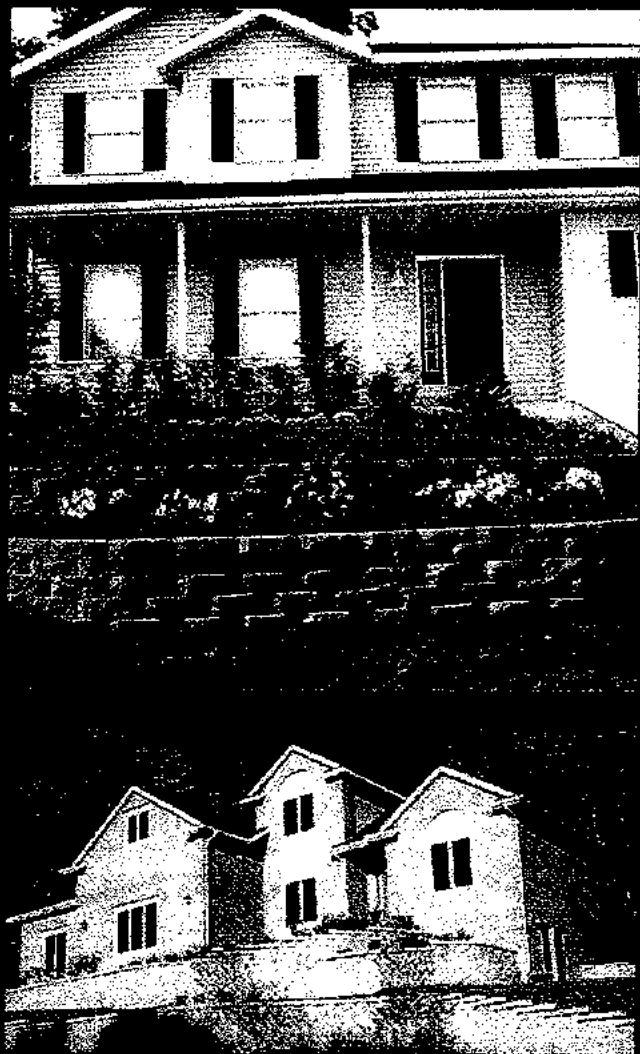


- **Estimated Economic Life Left.** Used in the *Normal Replacement Schedules*. Number of years until the item is expected to need replacement. Normally, this number would be considered to be the difference between the *Estimated Economic Life* and the age of the item. However, this number must be modified to reflect maintenance practice, climate, original construction and quality, or other conditions. For the purpose of this report, this number is determined by the Reserve Analyst based on the present condition of the item relative to the actual age.
- **Estimated Initial Replacement.** For a *Cyclic Replacement Item* (see above), the number of years until the replacement cycle is expected to begin.
- **Estimated Replacement Cycle.** For a *Cyclic Replacement Item*, the number of years over which the remainder of the component's replacement occurs.
- **Minimum Annual Deposit.** Shown on the Summary Sheet, "A-1." The calculated requirement for annual contribution to reserves as calculated by the *Cash Flow Method* (see above).
- **Minimum Deposit in the Study Year.** Shown on the Summary Sheet, "A-1." The calculated requirement for contribution to reserves in the study year as calculated by the Component Method (see above).
- **Minimum Recommended Reserve Level to be Held on Account.** Shown on the Summary Sheet, "A" this number is used in the Cash Flow Method only, this is the prescribed level below which the reserves will not be allowed to fall in any year. This amount is determined based on the age, condition, and replacement cost of the individual components. This number is normally given as a percentage of the total Estimated Replacement Cost of all reserve components.
- **Normal Replacement Item.** A component of the property that, after an expected economic life, is replaced in its entirety. (As distinguished from *Cyclic Replacement Items*, see above.)
- **Normal Replacement Schedules.** The list of Normal Replacement Items by category or location. These items appear on pages designated.
- **Number of Years of the Study.** The number of years into the future for which expenditures are projected and reserve levels calculated. This number should be large enough to include the projected replacement of every item on the schedule, at least once. This study covers a 40-year period.
- **One Time Deposit Required to Fully Fund Reserves.** Shown on the Summary Sheet, "A-1" in the Component Method summary, this is the difference between the *Total Current Objective* and the *Reserves Currently on Deposit*.
- **Reserves Currently on Deposit.** Shown on the Summary Sheet, "A-1", this is the amount of accumulated reserves as reported by the Association in the current year.
- **Reserves on Hand.** Shown in the *Cyclic Replacement* and *Normal Replacement Schedules*, this is the amount of reserves allocated to each component item in the *Cyclic* or *Normal Replacement* schedules. This figure is based on the ratio of *Reserves Currently on Deposit* divided by the total *Current Objective*.
- **Replacement Reserve Study.** An analysis of all of the components of the common property of the Association for which a need for replacement should be anticipated within the economic life of the property as a whole. The analysis involves estimation for each component of its estimated Replacement Cost, Estimated Economic Life, and Estimated Life Left. The objective of the study is to calculate a recommended annual contribution to the Association's Replacement Reserve Fund.

- **Total Replacement Cost.** Shown on the Summary Sheet, "A-1", this is total of the Estimated Replacement Costs for all items on the schedule if they were to be replaced once.
- **Unit Replacement Cost.** Estimated replacement cost for a single unit of a given item on the schedule.
- **Unit (of Measure).** The following abbreviations are used in this report:  
EA: each                      FT: feet                      LS: lump sum                      SF: square feet

## Prince George's County, Maryland discourages the use of timber retaining walls

Complaints from homeowners and property managers regarding the failure of treated timber walls, and the high costs associated with replacing the walls, particularly for those walls of significant height, prompted the Prince George's County, Maryland, code officials to act. In many cases, timber retaining walls were failing after only ten years or less, long before the manufacturer's estimated service life. Homeowners and property managers were left with high costs to replace the walls, according to plan reviewers with the Prince George's County Code Office. "Permits have been required for (retaining) walls over two feet high" for a long time. But in 1994, code officials began to interpret this requirement to discourage the use of timber retaining walls over two feet in height. "Segmental retaining walls provide a reasonably priced alternative, and they last much longer," says one plan reviewer.



NATIONAL  
CONCRETE MASONRY  
ASSOCIATION

LANDSCAPE PRODUCTS GROUP

# **Resolutions and Policies**

## **The Villages of Winterset Section 1B Homeowners Association Inc.**

## COLLECTION PROCEDURE

### Villages of Winterset Community Association, Inc.

1. The Board of Directors of Villages of Winterset Community Association, Inc. adopted this Collection Procedure at its meeting on 10-29-98, pursuant to the Declaration and By-Laws of the Association, the Maryland Contract Lien Act, and/or the Maryland Homeowners Association Act. All regular assessment installments are due on the first day of each quarter and must be postmarked on or before the thirtieth (30<sup>th</sup>) day of the quarter to avoid being late. Any delinquent assessments, or installments thereof, remaining unpaid thirty (30) days after the due date shall bear interest at the rate of 10% per annum from the due date.
2. First American Management, Inc. will prepare a collection letter to be sent to all owners who are thirty (30) days delinquent in payment of assessments, requesting immediate payment, and advising the owner that if the matter is turned over to the Collection Department, the owner will automatically be responsible for a \$120.00 collection fee, and all subsequent attorneys' fees.
3. Between the 45th day and the 60th day of delinquency, First American Management, Inc. will forward to its Collection Department a list of all delinquencies.
4. Between the 60th day and the 75th day of delinquency, the Collection Department will send a demand letter and Notice of Intention to Create a Lien, to all owners who are delinquent. The letter will demand payment, within fifteen (15) days, of all past-due assessments, late charges, interest and a \$120.00 collection fee. The letter will also advise the owner that, in the event the amount claimed is not paid within fifteen (15) days, the owner will also be responsible for payment of the title search fee of approximately \$120.00. The letter will include a Notice of Intention to Create Lien, advising the owner of the intent to record a lien against the property, and advising the owner of his/her legal right to contest the amount claimed in a show cause complaint filed in the circuit court for the county in which the property is located.
5. If the owner fails to timely file a show cause complaint, a Statement of Lien will be prepared and mailed to the clerk of the circuit court for the county in which the property is located. A notice of intention to foreclose will also be sent to the holders of all mortgages upon the property. The Statement of Lien will claim all assessments and other charges permitted by law, together with reasonable collection costs.
6. If the owner files a show cause complaint in the circuit court, First American Management, Inc. will advise the Board of Directors of the filing and of any hearing date established by the circuit court. The Collection Department will refer the matter to Debra L. Wynne, P.C., attorneys at law, ("the attorney") and request that the attorney take any and all legal action necessary to establish the lien. If a court hearing is required, First American Management,

Inc. will provide a witness to testify on behalf of the Association as to the legitimacy of all amounts claimed in the Notice of Intention to Create Lien. First American Management, Inc. will instruct the attorney will request the circuit court to assess against the owner all assessments, interest, collection costs, attorneys' fees and other permitted costs incurred in establishing the lien.

7. If the circuit court determines that probable cause exists for the establishment of the lien, the attorney will prepare same in accordance with Paragraph 5 above. If the circuit court determines that probable cause does not exist for the establishment of the lien, the attorney will advise the Board and First American Management, Inc. of the court's decision and recommend what further action, if any, should be taken against the owner.

8. If no payment is received from the owner within thirty (30) days after the date of establishment of the lien, the attorney will prepare and file a Petition to Foreclose on the lien and/or prepare and file a complaint in the district or circuit court of Maryland and transmit it for filing in the appropriate court. If a case is contested and a trial is necessary, First American Management, Inc. will provide a witness to testify on behalf of the Association as to the legitimacy of all amounts claimed.

9. In the event of the filing of a Petition to Foreclose, full payment will be accepted from the delinquent owner at any time until the foreclosure auction of the property, and such payment shall include all assessments, accrued interest, attorney's fees, late charges, if any, costs of collection, and auction costs incurred. Only payments by certified or cashier's check, or money order will be accepted.

10. First American Management, Inc. and the attorney will keep a full accounting of all fees and expenses paid on behalf of the Association.

11. It is the intention of First American Management, Inc. and the attorney that the least cumbersome, most effective method of collection will be used at all times.

12. In order to facilitate the collection of delinquent assessments pursuant to a judgment, the Board of Directors will advise the attorney of any and all information available to it pertaining to the owner, including place of employment and bank account information, if known.

13. Should the Board of Directors agree to a payment arrangement with the owner, the attorney will cease activity on the collection matter at the time the payment plan is accepted by the owner and a copy of the plan is received by the attorney, but will not close the matter until the payment arrangement is completed. Based on policies established by the Association, the attorney at his/her discretion, may negotiate and conclude a payment plan with the owner.

14. Payment tendered either to First American Management, Inc. or to the attorney



may be rejected and returned to the owner unless payment is made by certified or cashier's check or money order and constitutes payment in full of all amounts due and owing to the Association. At the sole discretion of the attorney, personal checks may be rejected and returned to the owner.

15. This procedure will be reviewed at least annually by the Board of Directors of the Association in consultation with the attorney and First American Management, Inc. to assure that the procedure is effective.

**Villages of Winterset Community Association, Inc.**

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**By: Kevin Carney, President**

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**Date**

**VILLAGES OF WINTERSET SECTION 1B  
HOMEOWNERS ASSOCIATION**

Owings Mills, MD 21117

August 16, 2010

**RESOLUTION**

RESOLVED that hereafter the Villages of Winterset Section 1B Homeowners Association Incorporated shall fine homeowners for uncorrected violations of Architectural Review Committee Guidance. The applicable guidance is included in each homeowner's deed of trust covering homeowner's real estate located within the Villages of Winterset Section 1B Homeowners Association Incorporated land area. Henceforth, the specific Enforcement Provisions of the Villages of Winterset Section 1B Homeowners Association of Covenants, Conditions, and Restrictions will be applied in the manner stated below. Based on the administration of this Resolution, it may be amended by the Board of Directors at any future date.

RESOLVED that fines are required because few homeowners ignore Architecture Review Committee violation notices and suggested corrective actions. The fine shall be \$100.00 per month. The fine shall apply when corrective action is not taken within the time frame allotted for corrective action and continue to accumulate each day until corrective action is taken. Thereafter, the amount of the total fine and interest will be assessed and included as part of the homeowner's monthly bill and will be subsequently administered in accordance with the Architectural Review Committee enforcement provisions. An appeal process to contest violations and fines shall be permitted whereby the homeowners may present cogent reasons of facts at a hearing before the Board of Directors. The Board of Directors hearing shall be scheduled based on a homeowner's written request.

IMPLEMENTATION shall commence during the next series of identified violations of Architectural Review Committee guidance.

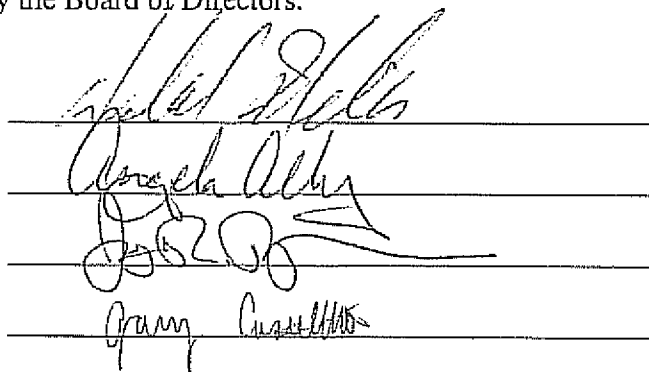
APPROVED and jointly agreed to by the Board of Directors.

Donald Miller, President

Angela Ally, Vice President

Joseph Regan, Treasurer

Gary Castellitto, Secretary



The image shows four handwritten signatures, each written over a horizontal line. From top to bottom, the signatures are: Donald Miller, Angela Ally, Joseph Regan, and Gary Castellitto. The signatures are written in dark ink and are somewhat stylized.

# *The Villages Of Winterset*

## *Section 1B*

*Homeowners Association, Inc.*

Dear Homeowner:

Enclosed please find the resolution dated August 16, 2010 in accordance with the enforcement provisions of the Winterset 1B Declaration of Covenants, Conditions and Restrictions, which is incorporated in each homeowner's property deed. As needed in the future amendments may be made to the enclosed resolution to enforce violation notices within the community.

**Violation policy and fines enforcement procedures will be as follows:**

1. **First Notice of Violation:** The homeowner will receive a notice by regular mail of the violation. The homeowner will have 15 (fifteen) days from the date the notice is issued to correct the problem.
2. **Second Notice of Violation:** After 15 days have passed and the property or situation is still in violation, a notice will be sent by certified mail stating a time and place for the homeowner to present their case before the Board of Directors.
3. **Hearing before the Board:** The homeowner will be allowed to explain why they remain in violation. The homeowner will be notified of the Board's decision by mail within 10 business days.
  - a. If the homeowner does not appear before the Board, the Board may immediately establish a fine.
  - b. If the homeowner appears before the board and the board decides in favor of the homeowner, all actions against them will stop.
  - c. If the Board decides against the homeowner, 15 days will be given to correct the problem from the date the decision notice was issued. If after these 15 days have passed and the violation still exists, a fine of \$2.00 per day will be assessed.
  - d. If the violation is repeated, an immediate fine of \$2.00 per day will be assessed without a Board hearing until the violation ceases.

Page Two

American Community Management  
61 East Padonia Road Suite A Timonium, Maryland 21093  
410-771-0600 fax 410-771-9898  
[www.acmhome.com](http://www.acmhome.com)

# *The Villages Of Winterset*

## *Section 1B*

*Homeowners Association, Inc.*

- e. A homeowner's voting rights and community privileges will be suspended during the term of the violation.
- f. If the first fine is not paid within 30 days, the fine will be attached to the homeowner's monthly assessment and collection actions will follow the normal procedures for late assessment fees.

If you have any questions regarding this matter, please feel free to contact the management company.

Sincerely,  
The Board of Directors  
For Villages of Winterset 1B Homeowners Association

Enclosure

American Community Management  
61 East Padonia Road Suite A Timonium, Maryland 21093  
410-771-0600 fax 410-771-9898  
[www.acmhome.com](http://www.acmhome.com)

## **Welcome Letter**

**The Villages of Winterset Section 1B Homeowners Association Inc.**



Dear Prospective Homeowner,

American Community Management, Inc. would like to take this opportunity to introduce ourselves as the managing agent for your Community Association. We are a full service community management firm that was established to assist community associations in the maintenance and operation of their community. As the managing agent, we have the responsibility of assisting the board of directors with the execution of processes for their association.

We are committed to providing the highest level of service in the community management industry. As our company has grown, we have been diligent in hiring quality professionals and providing them with continuing education opportunities by making available to them courses in community and property management, insurance, legal, collections, maintenance, reserve studies and much more in an effort to ensure that our clients receive the highest level of service.

In order to assist us in the efficient management of your Association, it is important that we have an accurate record of ownership for each property. Please take a few moments to complete the attached questionnaire form and return it to American Community Management, Inc. at your earliest convenience.

To assure a smooth transition from the former owner to you, please make sure that:

- We receive a copy of your settlement sheet immediately following your settlement.
- Complete and return to our office the "Notice to Council of Unit Owners" which is pursuant to the Annotated Code of Maryland and included.

You will receive a welcome letter with additional information once we have received your settlement sheet.

Communication is an important key in building a successful relationship. We are very interested in your comments and have made communicating with us easy by giving you several options to reach us. You may contact American Community Management online at [www.acmhome.com](http://www.acmhome.com), or by U.S. Mail, telephone or fax.

Sincerely,

The Staff of American Community Management, Inc.

Enclosures



## NOTICE TO COUNCIL OF UNIT OWNERS

TO: Council of Unit Owners of The Villages of Winterset Section 1B  
Homeowners Association, Inc.

To be completed at or after settlement and forwarded to the Council of Unit Owners.

To the extent available, the following information is provided pursuant to Section 11B-106;  
subsection (c), (2) of the Maryland Homeowners Act relating to the sale and transfer of the unit  
identified herein.

UNIT IDENTITY: \_\_\_\_\_  
(Complete Address of Unit)

SELLING UNIT OWNER (S): (1)  
(2)

FORWARDING ADDRESS OF SELLER: \_\_\_\_\_

\_\_\_\_\_  
PURCHASER (S): (1) \_\_\_\_\_

(2) \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

\_\_\_\_\_  
PHONE NUMBER OF PURCHASER: \_\_\_\_\_

TENANT'S NAME (If Applicable): \_\_\_\_\_

DATE OF SETTLEMENT: \_\_\_\_\_

The proportionate amounts of outstanding Homeowners fees or assessments assumed by  
Seller(s) and Purchaser(s) are as follows: \_\_\_\_\_

\_\_\_\_\_  
MORTGAGE COMPANY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Purchaser or Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Purchaser or Agent

RETURN FORM TO

**The Villages of Winterset Section 1B  
Homeowners Association Inc.  
c/o American Community Management, Inc  
7484 Candlewood Road, Suite H, Hanover, MD 21076**